

NATION'S BUSINESS



DECEMBER • 1935

Mad Money Sweeps Alberta

By Floyd S. Chalmers

Don't Copy Germany's Mistakes!

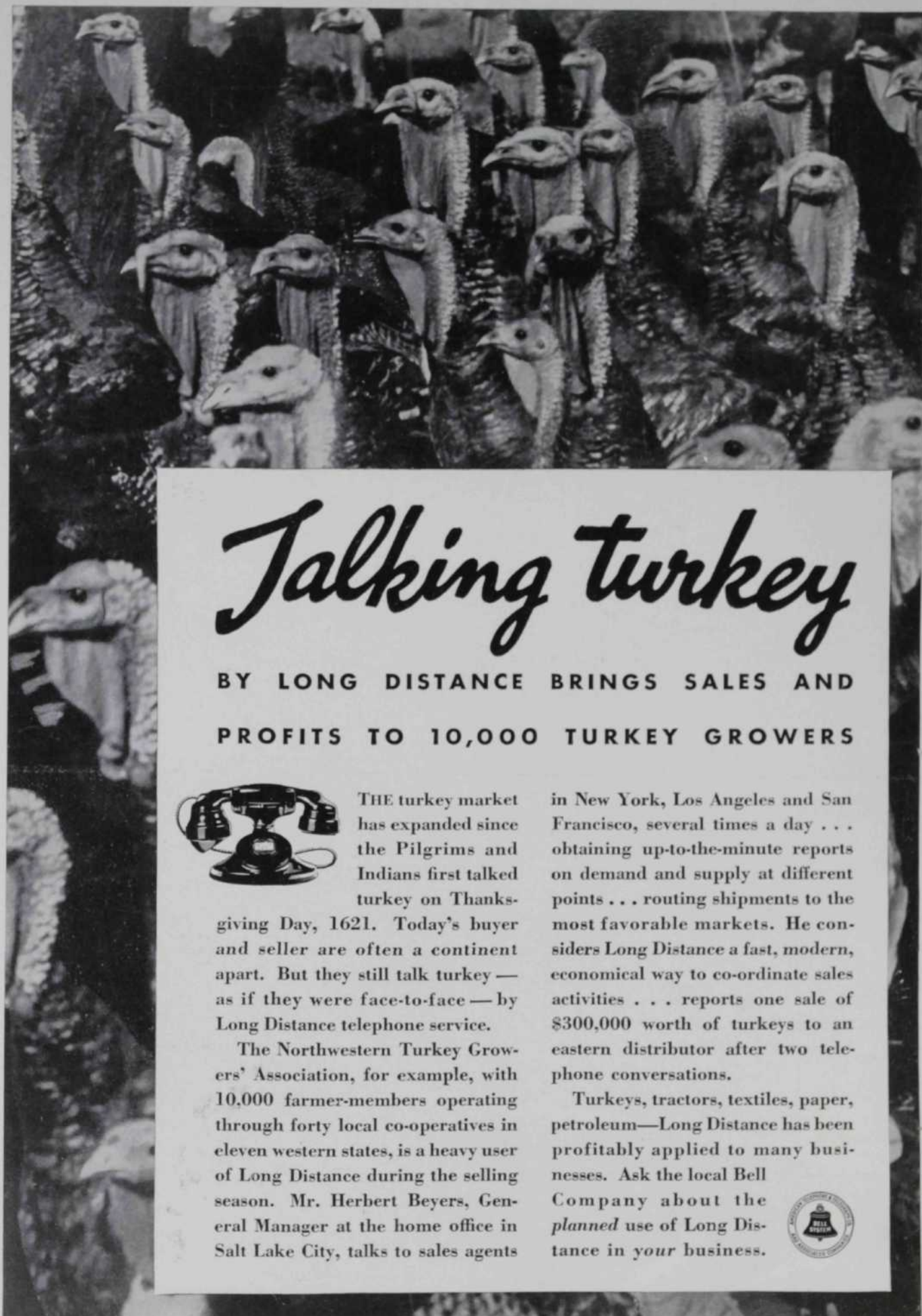
By Gustav Hartz

Public Servant

By Kenneth Coolbaugh

275,000 CIRCULATION

PUBLISHED BY THE CHAMBER OF COMMERCE
OF THE UNITED STATES • WASHINGTON



Talking Turkey

BY LONG DISTANCE BRINGS SALES AND
PROFITS TO 10,000 TURKEY GROWERS



THE turkey market has expanded since the Pilgrims and Indians first talked turkey on Thanksgiving Day, 1621. Today's buyer and seller are often a continent apart. But they still talk turkey — as if they were face-to-face — by Long Distance telephone service.

The Northwestern Turkey Growers' Association, for example, with 10,000 farmer-members operating through forty local co-operatives in eleven western states, is a heavy user of Long Distance during the selling season. Mr. Herbert Beyers, General Manager at the home office in Salt Lake City, talks to sales agents

in New York, Los Angeles and San Francisco, several times a day . . . obtaining up-to-the-minute reports on demand and supply at different points . . . routing shipments to the most favorable markets. He considers Long Distance a fast, modern, economical way to co-ordinate sales activities . . . reports one sale of \$300,000 worth of turkeys to an eastern distributor after two telephone conversations.

Turkeys, tractors, textiles, paper, petroleum—Long Distance has been profitably applied to many businesses. Ask the local Bell Company about the planned use of Long Distance in *your* business.



It's the New '36 Plymouth — Now on Display!



40 Improvements—Greatest Plymouth Ever Built!

PEOPLE EXPECTED IT. And now it's here... the greatest Plymouth in eight great years. Forty improvements add to Plymouth's sensational value.

It's the sturdiest car we've built... a 100% more rigid frame... body newly reinforced at five main points.

It is again America's most economical full-size car... with evidence piling up that it gives 18 to 23 miles or more per gallon of gas.

The 1936 Safety-Steel body is not only stronger... and safer... but also has new insulation against rumble and

road noise. Plymouth's brakes are 100% *hydraulic*—they stop you safely.

New design steering eliminates the final trace of road-shock at the wheel.

Added to the luxury of Plymouth's Floating Ride are 11 new comfort features... inches more leg room... 2 inches more elbow and shoulder room.

This new 1936 Plymouth is on display at your Chrysler, Dodge or De Soto dealer. See how big and beautiful it is... drive it. (Ask about the official Chrysler Motors Commercial Credit Plan.)

PLYMOUTH DIVISION OF CHRYSLER CORP.

4 THINGS PEOPLE WANT:

1. **ECONOMY**—All evidence indicates 18 to 23 miles per gallon of gas.
2. **SAFETY**—Plymouth's body is Safety Steel... Brakes are 100% hydraulic.
3. **RELIABILITY**—Of all low-priced cars, Plymouth has most long-life features.
4. **COMFORT**—Plymouth's Floating Ride plus 11 new comfort improvements.

PLYMOUTH BUILDS GREAT CARS

HOW Firestone TIRES CUT OPERATING COSTS

WIDER, FLATTER
TREAD WITH MORE
RUBBER ON THE ROAD

*Gives Greater
Mileage*

TWO EXTRA LAYERS
OF Gum-Dipped CORDS
UNDER THE TREAD
Locks it to Body

MOTOR TRANSPORTATION INC.

Gum-Dipped
CORD BODY
*Prevents Internal
Friction and Heat*

**TWIN BEADS WITH
SAFETY-LOCKED PLIES**
*FOR LONG Trouble Free
Service*

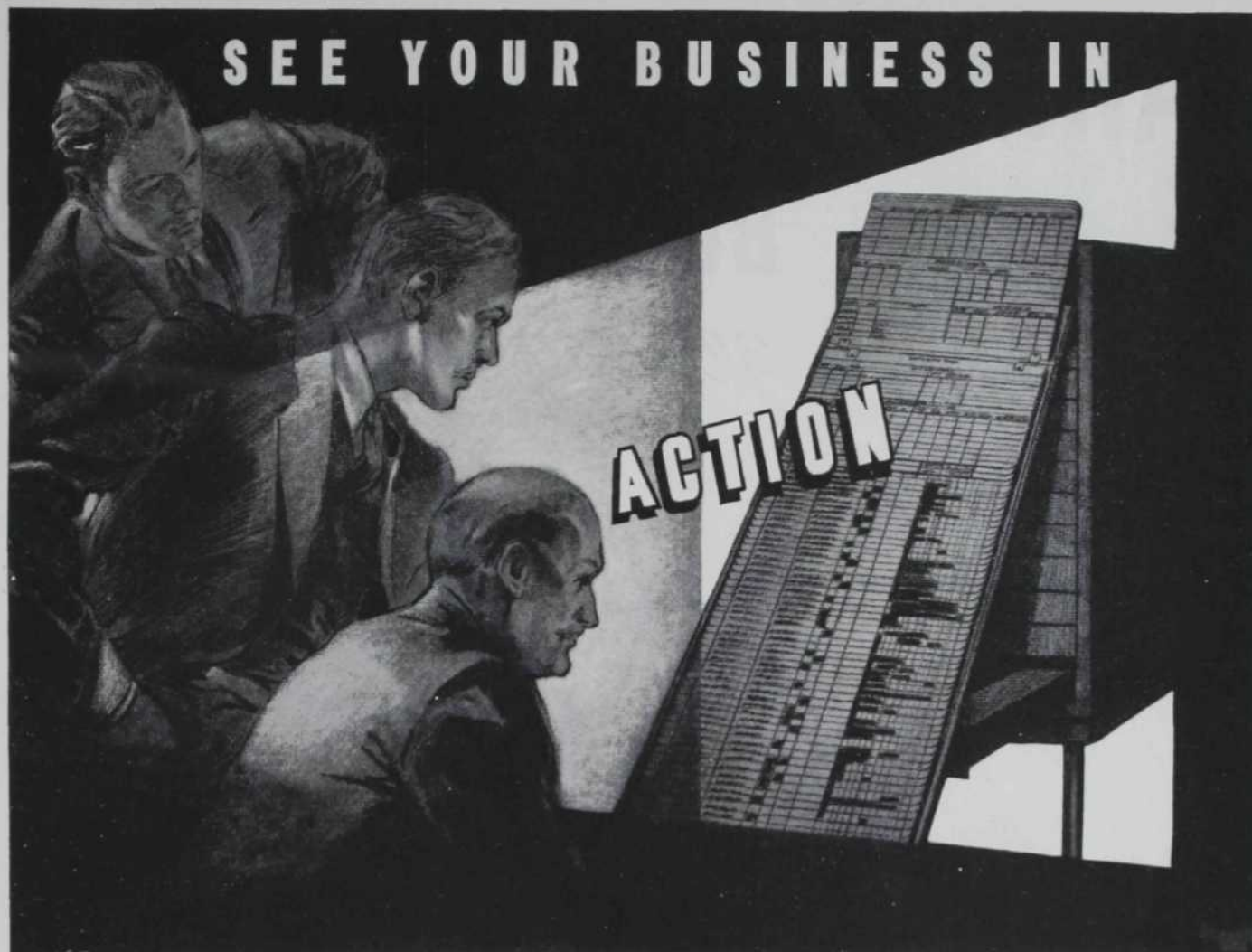
CERTAIN construction features must be built into tires to give you greatest safety and lowest cost per mile.

To make Firestone Tires blowout-proof, the cord body is built up of Gum-Dipped cords. To give you greatest non-skid safety and long mileage, the Firestone tread is scientifically designed, with a flatter contour and more rubber on the road. There are two extra layers of Gum-Dipped cords, to lock the rugged tread securely to the Gum-Dipped cord body.

Firestone Truck Tires are the only tires made that give you all these exclusive advantages.

Equip your trucks with Firestone Tires and start cutting your operating cost today. The nearby Firestone Auto Supply and Service Store or Firestone Tire Dealer is ready to serve you.

Listen to the Voice of Firestone—featuring Richard Crooks, Nelson Eddy—with Margaret Speaks, Monday evenings over Nationwide N. B. C.—WEAF Network



ACME VISIBLE RECORDS

Flash every move and trend of your business

See your "past due" go down in percentage. See your inventory reduced by elimination of inactive materials. See your sales go up by selling more to your present customers, and getting more out of each salesman's activities. See your purchases made to better advantage. See the result of every management operation. . . . THRU THE EYES OF ACME VISIBLE RECORDS.

When your decisions are based on the true, up to the minute facts of your business, (not some one else's opinions) you can take advantage of many an opportunity that would come to your attention in no other way.

With this information spread out before you, dangerous trends and conditions—when they exist—quickly

become apparent, while there is still time to take action. Whereas, when waiting on periodical reports . . . IT IS OFTEN TOO LATE!

These Acme results you hear about, *are* applicable to your business and the Acme organization is ready to show you just how each detail is accomplished thru your own people.

Our organization, trained thru contact with 80,000 users, can help you, too, to greater profits thru better control over every business activity. We have prepared an illustrated broadside which deals with 7 active records only, entitled "7 Ways to Push Up Profits" which we will be glad to mail you on request. Just attach the coupon to your letterhead, please.

ACME
VISIBLE RECORDS
 World's Largest Exclusive Manufacturer
 of Visible Record Equipment

ACME CARD SYSTEM CO., 2 So. Michigan Avenue, Chicago, Ill.

- () Please send me "7 Ways To Push Up Profits."
 () I am interested in _____ Records.
 () Please have representative call, no obligation.

NAME _____

FIRM _____

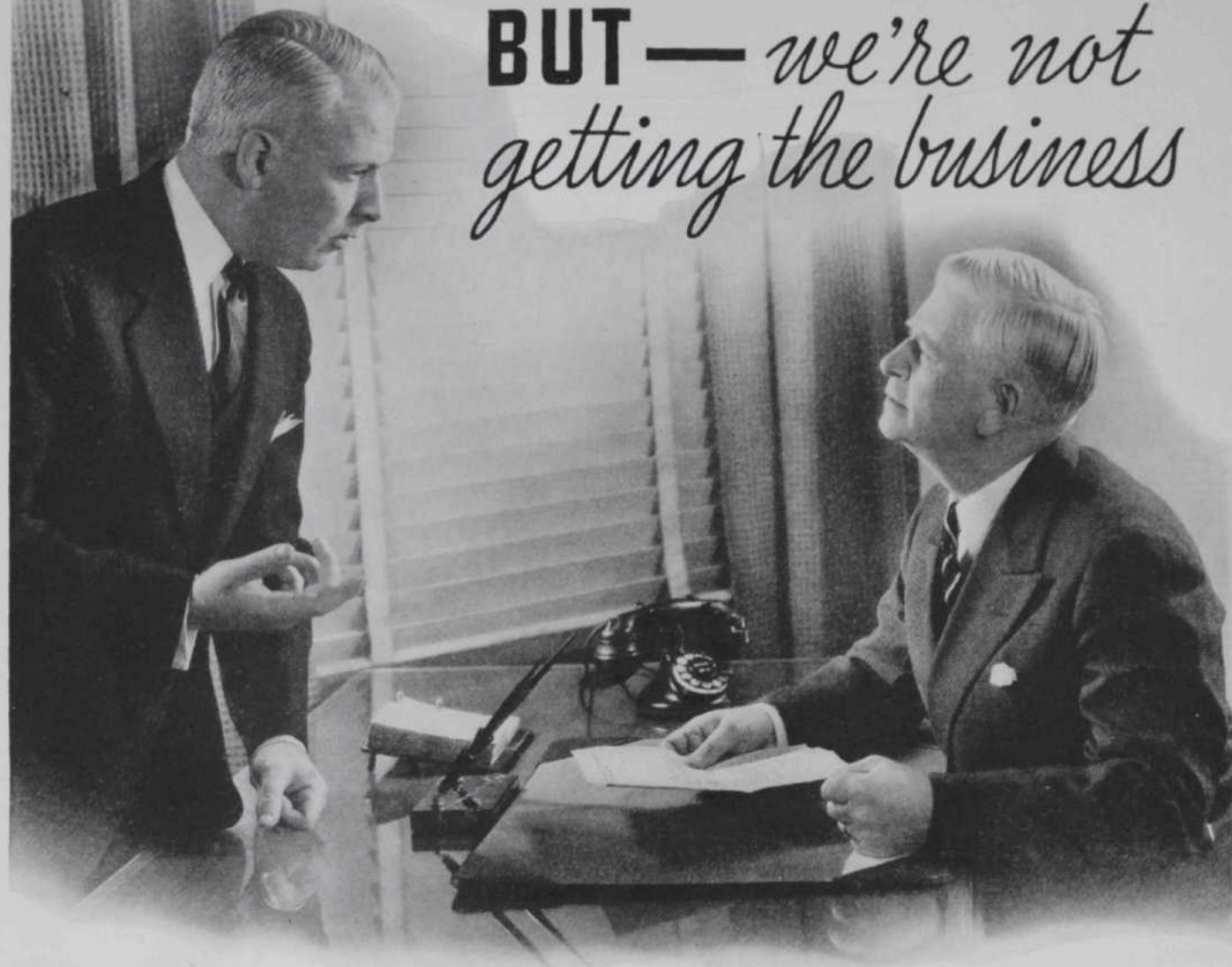
ADDRESS _____

CITY _____ STATE _____

N. B. 11-35

FARMERS ARE BUYING

BUT— *we're not getting the business*



PRESIDENT:

"Farmers have money this year; why aren't we getting more business in farm areas?"

SALES MANAGER:

"Well, that's easy to answer—we are not advertising in farm papers to reach farm homes."

★ ★ ★

RETAIL sales in farm areas are up 20% over last year. Department store sales in leading cities are up only 5%.

Advertisers using farm papers are reaping this harvest. They are getting dealer cooperation—window displays—dealer local advertising. Dealers selling to

farmers know that brands advertised in farm papers have preference in their stores.

The farm paper is the business paper and home magazine of the farm. It is read as an essential to earning and living.

Let these farm papers take your advertising into farm homes—then farm families will take your goods home from town.

Personal interviews at 3900 farm homes found twelve different general magazines being received in only 7.4% of the homes. It took seven different women's magazines to reach 21% of the farm women interviewed while 89.3% of these homes were receiving one or more farm papers.

YOU CAN'T SELL THE FARM FAMILY WITHOUT *Farm Papers*

SUCCESSFUL FARMING
FARM JOURNAL
CAPPER'S FARMER
PROGRESSIVE FARMER &
SOUTHERN RURALIST
SOUTHERN AGRICULTURIST
PRAIRIE FARMER

WALLACES' FARMER & IOWA
HOMESTEAD
THE FARMER
HOARD'S DAIRYMAN
WISCONSIN AGRICULTURIST
& FARMER
THE FARMER-STOCKMAN

FARM AND RANCH
THE OHIO FARMER
PENNSYLVANIA FARMER
MICHIGAN FARMER
INDIANA FARMER'S GUIDE
PACIFIC NORTHWEST
FARM TRIO

MISSOURI RURALIST
KANSAS FARMER (Mail &
Breeze)
CALIFORNIA CULTIVATOR
MONTANA FARMER
UTAH FARMER

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What is Coming in January—Turn to Page 32

VOLUME 23

NUMBER 12

NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE UNITED STATES

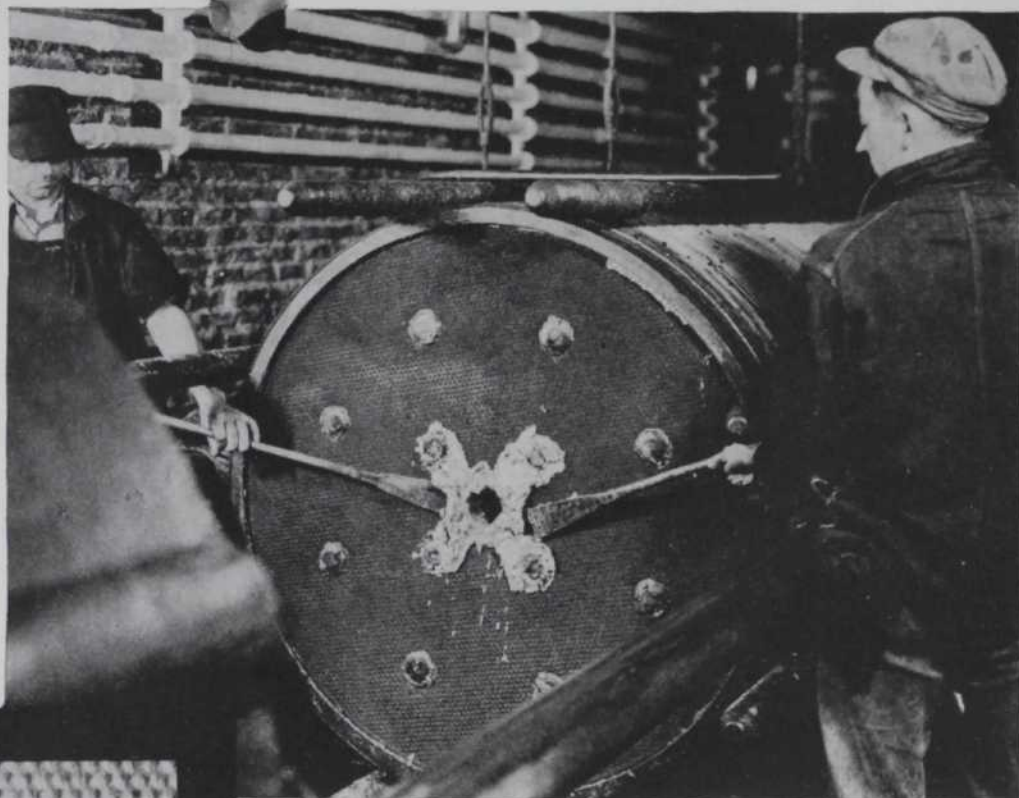
MERLE THORPE, Editor & Publisher

Managing Editor, WARREN BISHOP; Associate Editor, RAYMOND C. WILLOUGHBY; Business Manager, J. B. WYCKOFF; Director of Advertising, E. V. THOMPSON; Circulation Manager, LAWRENCE F. HURLEY.
GENERAL OFFICE—Washington, U. S. Chamber Building. BRANCH OFFICES—New York, Graybar Bldg. San Francisco, 433 California Street. Dallas, 1101 Commerce St. Chicago, First National Bank Building. Atlanta, Chamber of

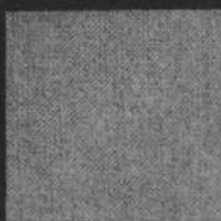
Commerce Building. As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.
SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00. Canada: Three years, \$9.00; one year, \$3.50.



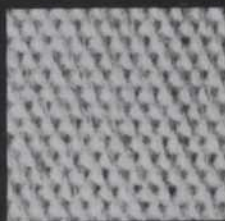
Wellington Sears' B A 30 Airplane Cloth helped win all three major trophies in this year's Nationals. The wings of Benny Howard's winning planes were covered with this fabric.



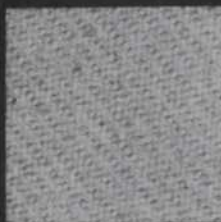
Filtering paraffin from petroleum in the National Refining Company plant, Findlay, Ohio, with the help of Wellington Sears' OCEANIC 12/0 Duck.



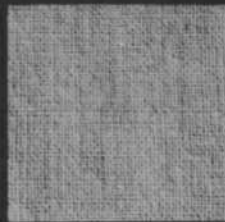
B. A. 30 Airplane Cloth



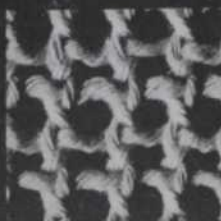
OCEANIC 12/0 Duck



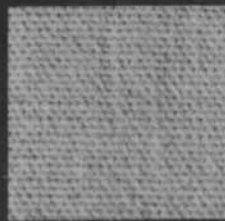
**ANCHOR
Filter Twill (F 51)**



COLUMBUS Sheeting



ANCHOR Leno Cloth



**MAGNOLIA
Single Filling Duck**

Over 25,000 different industrial fabrics are supplied by Wellington Sears Company to help industries make good products better. This range of fabrics covers every purpose from finely woven airplane cloth up to heavy ducks for filtering oil, sugar, soap, paint, chemicals, etc.

We are prepared to work with manufacturers in the development of special fabrics for products and processes. Because of our long experience as leaders in the field of industrial fabrics we can assure you of *ultimate economy*.

WELLINGTON SEARS COMPANY

65 Worth Street, New York City

WHY THEY USE ALLEGHENY STEELS

Off on the right foot

TWO YEARS AGO, all of us occupied sideline seats at the spectacle of an industrial Rip Van Winkle's awakening. Almost overnight, the brewer, the distiller, the vintner, and the dispensers of their products shook off fourteen years of dormancy and awoke to feverish activity.

In a measure, they had been prepared for the event, but Prohibition was erased from the books with almost magical speed. There had been some renovation, but it consisted in large part of a mere refitting of existing equipment. And so, after the first peak demands were satisfied, the beer, wine and liquor industries settled down to a huge campaign of modernization, as yet by no means completed. During their fourteen years of hibernation, other process industries had made great progress in methods and materials. They borrowed liberally from these innovations, and one of the materials that found instant favor was Allegheny Metal.

A Wisconsin brewer installed the world's first stainless steel brew-kettle, built of Allegheny Metal, and secured remarkable results. The California distiller of a world-famous cocktail ingredient built a new plant, furnished entirely with Allegheny Metal equipment. In other plants, Allegheny Metal vessels, vats, tanks, kettles, still and condenser tubing, etc., made their appearance. All over the country, hotels and restaurants installed Allegheny Metal-equipped and decorated bars.

There was no need for experimentation. The packers, canners, dairymen and chemists had done all that years before. ALLEGHENY Metal was ready to hand, used and approved by leading fabricators, known to have the qualities that solve problems of corrosion, heat and wear resistance—of cleaning, operating, maintenance and depreciation cost reduction.

ALLEGHENY METAL—the time-tested stainless steel of universal application—is a product of ALLEGHENY STEEL COMPANY, Brackenridge, Pa.; who also manufacture electrical sheets, auto body sheets, metal furniture sheets, black sheets, castings, pipe, and boiler tubes; whose products are carried in stock by all Jos. T. Ryerson and Son, Inc. Warehouses, by Union Hardware & Metal Co., Los Angeles, and by American Brass & Copper Co., San Francisco, Oakland.

Allegheny Metal is licensed under Chemical Foundation patents 1,316,817 and 1,339,378.

ADVERTISEMENT

Through the Editor's Specs



The rising tide of civilian employment by the Federal Government

In questions of power let no more be said of confidence in man, but bind him down from mischief by the chains of the Constitution.—THOMAS JEFFERSON.

Symphony in a major key

ONE of the satisfying things about business is its lively concern to keep faith in both the spirit and the letter of its responsibilities. When Henry Ford declared he would build a million cars in 1935 he set a goal which even the most inspired optimism might reasonably have regarded as impossible of attainment.

How the vision was made public is a story in itself. Mr. Ford, so runs the tale, was sitting one afternoon watching pupils of Greenfield Village schools taking a dancing lesson in the big ballroom which is part of the Ford engineering laboratories.

A newspaperman who chanced along asked him about his plans.

"Next year," said Mr. Ford, "we'll build a million cars."

"Can I print that?" asked the newspaperman.

"Sure," replied Mr. Ford. "You may say a million cars or better."

On January 2 the great River Rouge plant opened after a holiday shutdown. The first car off the line that morning bore the number 1,336,771. On the afternoon of October 31 a black Fordor sedan bearing the number 2,336,770 came to the end of the line. It was the millionth Ford unit produced in the United States since the first of the year.

What prodigies of teamwork made this industrial feat possible only the management and the men can know at first hand. Of itself performance might constitute praise enough for a big job attempted and done. Beyond the significance of triumphant organization is the social service flowing from a continuous distribution of newly-created wealth. An industry that since its founding in 1903 has produced and sold more than 23,000,000 units provides its own enduring definition of serviceable worth.

Blessings from the laboratory

ANSWER to that old question of what America got out of the World War is again to be made by the Exposition of Chemical Industries in New York. By one judgment, "the establishment of a synthetic organic chemical industry in the United States meant more to the American people than reparations or territory."

Chemistry, it turns out, is at the bottom of most of what goes forward in the name of progress. At the last show held in 1933, 244 companies and organizations had space. This year's displays were developed for greater eye and ear appeal with the making and packaging of finished products a daily feature. The world of the laboratory is brought to convenient view in a variety as astonishing as it is useful. Fruit ripens by exposure to a special gas, along with exhibits of new water emulsion lacquers, a chlorinated rubber paint base, a new rosin compound for synthetic plastics, and ethyl cellulose for use as a plastic. Nickel, copper, brass, iron and steel attain new applications in the metal group, but platinum and rhodium and tantalum are also rapidly pushing their way into industrial and commercial consciousness.

Whether or not the exposition qualifies as "the greatest industrial pageant of chemical achievement since the depression" it serves admirably to direct attention to a



Does it deserve to be called the Mount Vernon Dinner?

AUDACIOUS, perhaps, that the Tavern Car on The George Washington presents to you "The Mount Vernon Dinner." But try it before you pass judgment.

Should the Founder, himself, dine on this famous train that bears his name, he would be served meats as skillfully cooked as those from his own famous kitchen; vegetables and fruits as plump, as ripe and garden-fresh as any that

came to his own table; hot breads as flaky and flavorful as those that delighted Lafayette; sauces, gravies, salads and cheeses that would draw a sigh of satisfaction from any epicure of any age.

When you have puffed a contented cigar, and turned over the check on its silver tray, you'll say: "At last! I knew some railroad would do this some day . . . a grand dinner, perfectly served, for what it really ought to cost."

The ticket agent of any railroad can route you on

THE GEORGE WASHINGTON THE SPORTSMAN · THE F.F.V.

The finest fleet of genuinely air-conditioned trains in the world



George Washington's Railroad
CHESAPEAKE and OHIO
Lines
Original Predecessor Company Founded by George Washington in 1785

group of related activities which have in a very real sense "emancipated our research, our medicine, our agriculture, and industries employing millions of men and women, and manufacturing billions of dollars' worth of products each year."

Partners with Santa Claus

HOW to know the true Santa Claus is more than a seasonal riddle in a land where a man with a pack on his back may be the jolly old fellow himself or just another politician with a new bag of tricks. Possibly the Christmas savers organized in clubs throughout the country constitute the only exceptions to the annoyance of impostors.

By their fifty-week providence they made sure of a share of holiday joyousness.

Figures announced by the National Association of Mutual Savings Banks show that their annual contribution to Santa Claus is to run more than \$4,000,000 ahead of last year, the total available for distribution amounting to \$37,815,223. Depositors increased in number as well, the aggregate of accounts rising to 946,496, a gain of 125,599. The average account was \$39.95.

It is a hopeful sign for the nation when the people in the midst of an orgy of spending still realize that the practice of thrift writes its own declaration of independence.

Old-fashioned "success" note

A HUSBAND died in 1913 leaving Bertha C. Weaver a widow with three children. She moved to Ada, Oklahoma, with \$65, representing her worldly goods. She sewed for a living; made hats and sold them. She worked in a casket factory. The children finished high school. One graduated from the Washington University of Art in St. Louis; another worked for the Board of Education in Tulsa, Okla.; the other became telegraph operator for the Frisco Railway Company.

Depression came. The oldest boy, with wife and baby, lost his telegraph job on account of seniority. Politics took away the job of the second one. The third, working in St. Louis, made a bare living. The widow went to the hospital for a year.

In Muskogee, in 1932, the mother and the two older boys began to make caskets. They contributed their strength and their mother her knowledge. They rented a building; the mother trained other women to trim the caskets; the business grew.

Mrs. Weaver took her vacation in Europe this summer for a "much-needed rest," after "the firm" talked

it over and found the state of the business warranted such a trip.

Mortuary note in advertising

SAM ARMETTA inserts, with his picture, the following advertisement in his home paper, the Alexandria (La.) *Daily Times*:

Sam Armetta was in Baton Rouge yesterday, for the purpose of viewing Senator Long's body, and found an immense crowd already in the city.

The crowd assembled at 1:00 p.m. at the Capitol, but were compelled to wait until 3:15 p.m. before the arrival of the body, being forced to stand all this time. Mr. Armetta's feet and knees gave out and he was forced to sit down on the steps among the crowd.

Mr. Armetta and his family returned to Baton Rouge this morning, and his Bakery was closed from 12 noon until 5 p.m. during the funeral ceremonies.

—Adv.

Questions requiring answers

CLAUDE L. DRAPER of the Federal Power Commission went to Nashville the other day to talk to the National Association of Railroad and Utilities Commissioners. To them he said:

We cannot safely assume that *private* power interests left to their own devices will be led by an invisible hand to pursue only those policies that are dictated by engineering considerations and directed with a single eye to the public interest.

Change one word and ask yourself which is truer:

We cannot safely assume that *POLITICAL* power interests left to their own devices will be led by an invisible hand to pursue only those policies that are dictated by engineering considerations and directed with a single eye to the public interest.

And what is meant by "a single eye to the public interest?" Is the public interest fostered only by reducing rates for electricity and gas? Is it "to the public interest" to use the taxpayers' money to erect a plant which shall sell electricity at a loss? What of the public interest of the men and women who saved money and invested it in the business of making and selling electricity? They wanted fair interest on their bonds, fair dividends on their stocks.

The real capitalists in this country are not the men and women with \$500,000 but the men and women who have saved \$5,000 and who had hoped to get \$250 a year from it in their old age. Is not theirs a "public interest?"

Plans that "gang a-gley"

IT SEEMS that the current political edition of the "forgotten man" still feels forgotten, let the subsidies fall where they may. In a survey of public opinion by the magazine *Fortune*

Lower Manhattan Commerce Center

HUDSON-VARICK STREETS • NEW YORK CITY



ADDING NEW MARKETS

• Leading firms have found that locating in LOWER MANHATTAN COMMERCE CENTER actually increases the size of their markets because it puts them at the strategic distributing center of Manhattan Island—at the threshold of all foreign and domestic markets—and central to important manufacturing and wholesale districts with which they co-operate.

For deliveries in the Metropolitan area, a broad system of express highways enables trucks to make as many as several delivery trips a day to the outermost parts of this zone. Trading areas "shrink"—marketing costs are reduced—new sales-producing territories are added.

Likewise in the matter of housing, "COMMERCE CENTER" symbolizes a new era! A group of over forty buildings offers "made to order" space for light and heavy manufacturing, warehousing, laboratory testing, merchandise display, sales and distribution as well as distinctive office and executive suites—space that brings new "highs" in efficiency and economy . . . added business prestige.

Space can be made available to suit all individual requirements—from the smallest units up to 60,000 square feet on a floor, or up to 500,000 square feet and more under one roof.

"COMMERCE CENTER" has a story of importance for every executive. Get further details.

MANAGING AND RENTING AGENTS



157 CHAMBERS STREET, NEW YORK CITY

(This is one in a series of advertisements on Lower Manhattan Commerce Center.)



“Trees die from the top”

— and so do advertising agencies

WHEN executives grow old, there is danger that the business may grow old with them. Every business faces this problem.

For the Life Span of a business tends to follow the Life Span of its management.

Even when executives remain physically and mentally fit, there comes an inevitable “hardening” of their outlook.

The management becomes conservative, old-fashioned, definitely “set” in its ways.

It loses the priceless ability to create new ideas conforming to changed conditions. Unless great forethought is exercised, business and management decline together.

For businesses, like trees, often die at the top—and none more quickly than personal services such as advertising agencies.

The Business is an “Organism”

The answer, of course, is “new blood.” To avoid hardening of the corporate arteries, younger men must be taken in.

They must bring vigorous energy and new insight into the organization. Only by investing in youth can a business keep from “acting its age.”

We of Lord & Thomas have had long experience in this art of keeping young.

We have learned to mold the business into a living organism that constantly renews itself, yet always maintains its fundamental qualities.

This requires a statesmanship that balances the experience of management with youth’s eager brilliance.

Youth Reaches Upward

In our offices, all barriers are removed from the path

of talented youth. The able ones climb high and fast.

Lord & Thomas are unique in being a seasoned and immensely successful business, conducted almost entirely by men who can still touch the floor without bending their knees.

Today, they sit in our highest councils.

The average age of our top executives is 37 years, the oldest being 55, the youngest, 30. The length of service ranges from 1 year to 38 years.

These men came as recruits from many fields. Several have risen to high position from the groups of college men whom we select yearly.

Two outstanding writers came to Lord & Thomas seeking larger opportunities, after winning early distinction as writers of advertising.

One executive shone as a brilliant sales manager in the grocery field—another in drugs.

Still another won recognition in the publishing field for his ability to develop powerful merchandising tie-ups with national advertising.

From Roots to Topmost Branch

Not only in the executive groups, but at every level of our organization, these fresh talents and viewpoints are constantly being merged with the generalship and experience of older men.

In this way Lord & Thomas maintain our fundamental character—our devotion to basic principles of Salesmanship-in-Print. And remain ever a young organism—alert, courageous and aggressive.

In our 63 years of existence, we have invested \$500,000,000 for clients in advertising. And more than one-third of that amount, \$180,000,000—has been placed in the past five years of depression. We are old and experienced in the art of keeping young.

LORD & THOMAS · *advertising*

There are Lord & Thomas offices in New York; Chicago; Los Angeles; San Francisco; Toronto; Paris; London. Each office is a complete advertising agency, self-contained; collaborating with other Lord & Thomas offices to the client's interest

it asked "a large and scientifically selected cross section of the public" the question "Do you feel more secure or less secure than you did a year ago?"—a question which has been previously broadcast to the people in a White House fireside chat.

What the replies revealed was a larger percentage of "yes" votes from the upper than the lower income levels. Of the well-to-do, 42 per cent felt more secure; 32 per cent felt no change and only 23 per cent felt less secure than a year ago. Compared to this, the poorer class voted only 25 per cent more secure, 30 per cent unchanged and 42 per cent less secure. The middle classes, upper and lower, comprising 70 per cent of those interviewed, averaged about 41 per cent more secure and 25 per cent less secure, while the national average was: more secure, 37 per cent; the same, 30; less, 30.

Considered by occupation, the report shows that, of the unemployed, 49 per cent feel worse off, only 19 per cent better and farm and factory laborers feel nearly as doleful. More content with the trend of affairs are salaried people and proprietors, respectively 46 and 40 per cent more secure, 25 and 28 per cent less. Another breakdown shows a feeling of less security or no change in the rural districts which have been the beneficiaries of the AAA and of a large portion of the relief money, and which are considered to hold the balance of political power—and a feeling of greater security particularly in cities with less than 1,000,000 population.

How far the figures justify the easy assumption that the "rich grow richer and the poor grow poorer," the disputations can readily argue to their own satisfaction. Of the prosperous and middle classes two-fifths feel definitely better off; of the poor and the Negroes a quarter or less. And this despite the heavy political emphasis on aid for "the underprivileged." Possibly debate could helpfully develop the not impractical question of whether the well-being of a beneficiary is inversely proportional to his benefits.

No security without selling

WHAT is happening in Canada accents again the weakness of economic positions bulwarked in major part by protective or discriminatory legislation. Many Canadian firms and industries, observers foresee, will be stripped of present advantages by removal of arbitrary valuations and Order-in-Council tariffs. Further denudation may come next spring

when the Liberal budget is announced.

Fear that these revisions will be deeply disturbing is articulated in talk of employment dislocations, factory shutdowns, shorter work weeks, and pay roll anemia. But, says the editor of the *Financial Post*, Toronto:

A good many Canadian firms will have themselves chiefly to blame if the demand for their products falls off, particularly those who, while taking full advantage of the Bennett emergency tariffs, have made little or no attempt to educate their Canadian customers as to the value of their wares; have spent little or no money to establish in the minds of consumers a definite preference for their particular products.

Whatever the impact of increased importation under a changed order, there is an obvious moral in the report that some industries got together to "save" the money once spent on merchandising and advertising. As business is everywhere learning to its cost, there is no substitute for salesmanship.

Fantasia

A correspondent submits that the State of the Nation is best described by a news-heading in the *Washington Post*:

HITCH-HIKER REFUSES RIDE
IN AUTO WITH NO RADIO.

School-children who refuse to salute the flag are sent home. In other days they wouldn't be sent home, and they wouldn't have sat down, either.

Two items from a New York paper:

Three Congressional Investigating Committees begin hearings in New York City today, and
Twelve theaters open.

Three unemployment notes from the month's mail:

A woman on relief got the Mayor on the telephone and complained about the amount of relief money she was receiving. The Mayor discussed her "budget," and she exclaimed: "Yes, I know, it's enough to live on, but I can't save anything out of it."

In another city a Commissioner has been cited before the Court to show cause why he has not given a man the relief he asked for.

A relief applicant in Chicago was found to have \$1,000 in the bank. His defense: "But I can't use that! I'm saving it for a rainy day!"

A Black Committee investigator demanded of Dr. Magill his wife's letters, because "such letters sometimes give us a good picture of a man's mind."

A message to the taxpayers of American cities

Conrad J. Heiselman,
Mayor, Kingston, N. Y.



Kingston, New York saves \$1202⁷⁵ a year with Iron Fireman

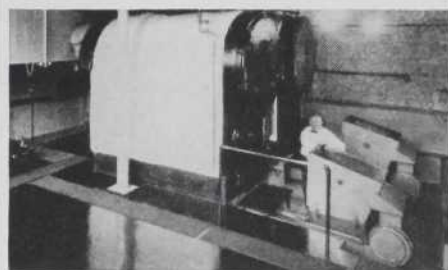


Borrow a leaf from the book of experience of the City of Kingston, N. Y. What the City Administration did there by installing Iron Fireman automatic coal burners suggests a money-saving possibility in your own buildings—and in your home.

Mayor Conrad J. Heiselman, speaking for the City of Kingston, says: "In the first year of Iron Fireman operation in our municipal heating plant, fuel savings were \$1202.75 (43%) over hand-firing. Our heating plant is always open for public inspection, and we will be glad to demonstrate the results obtained with Iron Fireman, for which we are enthusiastic boosters."

Free Survey

Iron Fireman should do an equally effective job of cutting fuel costs and improving firing service in your own municipal and private buildings and in your home as well. We will be glad to make a free engineering survey of your plant and give you the facts. Models for commercial boilers up to 300 h.p., and for residential heating plants. Quickly installed. Easy payment terms. Write to 3226 W. 106th Street, Cleveland, Ohio. Iron Fireman Manufacturing Company, Portland, Oregon; Cleveland; Toronto. Dealers everywhere.



Kingston central heating plant, providing heat for the Municipal Auditorium, City Hall, Water Board Building, Municipal Garage, Central Fire Station, and City Laboratory. Iron Fireman automatic coal burner installations by R. E. Meagher, Inc., Poughkeepsie, N. Y.

IRON FIREMAN

AUTOMATIC COAL BURNER

**WHAT PRICE
SAFETY IN THAT
AWFUL INSTANT
WHEN A TIRE
BURSTS ?**
*—the modern answer
is the Life Guard-Tube*

Everyone who has seen the smashed ruin of a blow-out-ditched car shudders at the thought.

That nightmare need haunt your driving no longer—for the new Goodyear LifeGuard[★] Tube makes the severest blow-out as harmless as a slow leak!

The diagram tells you why. The LifeGuard[★] Tube is

- A Look for the yellow valve stem and blue cap
- B LifeGuards take a little longer to inflate because air passes gradually from "inner tire" to outer tube through this VENT HOLE
- C On this two-ply "INNER TIRE" you ride to a stop with car under control, even though casing and outer tube blow wide open



literally a 2-ply tire within a tube. When the casing blows out, this inner tire remains inflated long enough for you to bring the car to a safe stop.

It eliminates that instantaneous collapse that throws your car out of control—because it retains enough air to hold the tire on the wheel—keeps it partially inflated even when casing and tube are burst wide open. In thousands of tests tires

on cars speeding 60, 70 miles an hour have been blown out with spikes, knives, even dynamite caps—but not once has this 2-ply inner safety tire failed!

Because of their superlative safety LifeGuard[★] Tubes are now either standard or optional equipment on many of the new, fast cars. Like safety glass, they cost a little more—they are not built to save money, but to save lives!

THE GREATEST NAME IN RUBBER

GOOD YEAR

LIFE GUARD-TUBE

FOR PASSENGER CARS-TRUCKS-BUSES

★LifeGuard is a trademark of The Goodyear Tire & Rubber Company, Inc., and is protected by patents applied for



BUILT NOT TO SAVE MONEY BUT TO SAVE LIFE

NATION'S BUSINESS

★
A MAGAZINE
FOR
BUSINESS MEN
★

The Supreme Court of Worth

WHAT the spenders of the people's money are doing to root the idea that the world owes every man a living, whether he works for it or not, is bound to bring a bewildering harvest. What has been conceived in a spirit of idealism matures into a situation in which it will be more and more difficult to prevent a popular and permanent relapse into the arms of widespread government subsidy.

Competence and enterprise cool their heels in the anterooms of authority, while incompetency, under public patronage, thrives and becomes invested with dignity. Even supervision of the new order brings confusion in its maze of cross-purposes. And political patronage contends with socialism for control of the public pay rolls.

There are many evidences of widespread concern over the direction in which we are moving. A self-reliant negro approaches it from his own individual standpoint. He complains that "it is not fair for Doctor Tugwell to provide new modern homes for the riff-raff who never would work," at subsidized prices which industrious and ambitious negroes who have worked and saved for their homes do not enjoy. When political authority undertakes to improve upon the natural processes of our social and economic life, broad injustices are more the rule than the exception. When political authority supplants the market place, where values of goods and services have always been determined, old-fashioned virtues of thrift and equity fly out the window, and leave in their wake a new and weird set of rules of life.

In these pages nearly 20 years ago we suggested that the market place, not politics, was, after all, the great arbiter of economic and social differences. There justice reigns for high and low. There the dollar, which has been saved, puts on over-alls and goes to work on various projects at various rates of wages. There services and labor are appraised by the Great Appraiser—the public. There goods and grains and minerals find their true levels of value.

Where, ask any fair-minded man, could you get a truer judgment of worth than in the market place? Father, or friends, or church, or state? No, without prejudice or favor, the market place is, in the long run, the great and even dispenser of justice.

Man's political judgment involves an emotional element; the market place is an impartial referee of all human endeavor, continually equalizing, readjusting, redistributing. In its court, Worth makes its place by trial and error.


Once there was no paradox in saying that America was more a land of benefactors than beneficiaries. Now events change the fact of every man his own Santa Claus to the neopolitico-economic idea of a Santa Claus for everybody. Agriculture receives an umbrella, fabricated of AAA checks. Another group is to have cheaper electricity and appliances; another, subsidized homes. Labor finds a capital "L" in its stocking. Business is handed an official dictionary requiring it to speak its accustomed language in new terms. And for the public interest, "relief projects," "made work," "boondoggling," "the dole" are foreign phrases to American tongues.

America has long been the wonder and envy of the elder world. Here, for 150 years, the market place weighed and measured individual values. Who knows but that Macaulay was looking in our direction when he wrote just 100 years ago:

Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property and by observing strict economy in every department of the state. Let the Government do this—the people will assuredly do the rest.

What better counsel for America today than a return to this program!

Merce Thorne

A detailed black and white illustration of Jeanne d'Arc in full plate armor, standing and holding a sword upright in her right hand. She is depicted from the waist up, facing slightly to the right. The background is a dark, textured landscape with a castle in the distance.

SHE'S THE WORLD'S GREATEST WARRIOR

Marshal Foch called Jeanne d'Arc the first general of all time. She had a genius for using the material at hand. Today countless women in business and education are using the Mimeograph as a means for personal advancement. Since the advent of the Mimeotype stencil a woman's artistic touch is particularly helpful—for through this great invention almost any kind of illustration can be readily combined with typing to project ideas vividly, quickly, handsomely, at low cost. Get latest information about the standard stencil-duplicator of the world, from A. B. Dick Company, Chicago, or see classified 'phone directory for local address.

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DONALD
GENTON



CHARLES DUNN

Ed built a platform at tailboard height and, recognizing an early forerunner of the parking problem, put in a hitching rack. "Good for business," he said

Portrait of a Country Merchant

By SILAS BENT

Good Works and General Merchandise

I KNOW of men hidden away at the cross-roads and the grass-roots, oftentimes unhonored at home, who, behind their counters and at their desks, are performing a great service to their communities. I knew such a storekeeper in the little town where I was brought up, in the Middle West. He was never quoted in the newspaper on current affairs. He was too busy working from seven in the morning until late at night, but I know—and I hereby testify—that, on many an occasion, he helped a youngster in trouble over a rough place; he headed every subscription list for a Fourth of July celebration, a church festival or a town Christmas tree. He was the first to tear up the wooden sidewalk and replace it with cement; the first to install better lighting; he it was who unobtrusively and with magnificent tact, 'carried' the preacher whose congregation had failed him; it was he who helped the widow in distress and stood back of the farmers whose crops had failed. In fact, in his quiet way, as I look back on it now, he was perhaps the greatest practical influence for good and stability in that small section of American life.

IT IS Saturday night in a Middle-western village. The three blocks of the main business street are alive with light and activity. Farmers in overalls, their wives in gingham, their sons and daughters in the latest finery from the city, 30 miles to the west—an hour's ride over the new concrete highway. From the pool hall the merry click of carom shots is lost in the blare of the drugstore radio bringing the latest song hit as played by an orchestra in Chicago. The radio itself is lost in the impatience of auto horns as traffic waits for a lively swain to back a used car with a racing body out of the diagonal parking space carefully marked in the middle of the street. As he rolls ahead with a staccato crackle another car swings into the emptied space and the long line, bumper to bumper, resumes its slow progress.

Up and down the sidewalk, arm in arm, promenade the belles of the city,

modern in thought and make-up, from the movie corner where garish posters proclaim the latest "western" to the post office corner where, in the new bandstand, the town's musicians are tuning up for the weekly concert. In front of the drug store and the barber shop, the town's young men view this parade critically. On the steps of the bank elders just as critically discuss the state of the nation while they wait for Ma to finish the weekly shopping in "The Store."

The town's first store

IN this town, as in many towns, "The Store" means only one thing. Chain stores may rear distinctive colored fronts. A young man from out of town may open a women's shop with imported styles rivaling the finest to be found in the city. A local youth, returning from college, may start the "Toggery," equipped like a club lounge and featuring plaid suitings beside style charts from *Esquire* proving their authenticity—but "The Store" will always be Ed's place.

Years ago it had another name. That was when Ed, younger then, had brought in a stock of goods in lumber wagons—because he couldn't afford to pay railroad freight—and installed them in a frame building on Main Street.

Across the false front by which the shack hoped to attain two-story pretensions Ed had lettered a name, but no one ever used it. It was easier and just as accurate to say "The Store," because there was no other store. They had been saying it ever since although privately many of them felt that Ed was slipping.

"Town's growing away from him," local sages would say, nodding at the modern street lights, the theater, blatantly air-cooled, and the new one-stop filling station built on the site where once stood Ed's principal old-fashioned competitor.

"You've got to keep up with the procession if you are going to make a go of business."

And the sages would walk to the curbing and spit wisely into the gutter—because the new city ordinance prohibited spitting on the sidewalk and Len Graham's boy, recently made a motorcycle cop, was enthusiastic in his new duties.

Thus the sages dismissed the subject, for towns, like people, are more interested in results than causes and

no one had ever bothered to estimate how much of its boasted growth the town owed to the man it was out-distancing.

Ed never estimated it either. Probably he never thought of it. Certainly he did not set himself up as a civic patriot, and yet no one can say how much of his town's transformation from a weedy cross roads to a small metropolis was due directly to his efforts and influence.

Take the matter of sidewalks, for instance. There was no sidewalk ordinance when Ed opened up his store. There wasn't any kind of an ordinance, but then there wasn't much of a town. Only a grain elevator, a house or two and a railroad siding at a cross roads. The more enterprising poured ashes on the paths in front of their homes. Others walked in the mud. But out of his first profits, Ed built a sidewalk in front of his store. Platform is probably a better word, since he built it at tailboard height for the convenience of his farmer customers who came in farm wagons to exchange produce for store goods. Then, recognizing an early forerunner of the modern parking problem, he put in a hitching rack.

"Good for business," he said. It was also good for the town. Neighboring businesses, moving in, had to install

sidewalk ought to be, without breaking your neck.

When the street was at last brought to grade, this last worry was ended, but long before that Ed had moved his platform around in back and had a cement sidewalk in front of his store.

By that time, too, he had remodelled his store. He had torn out the square-paned windows and put in larger ones where he might display his goods. He changed the display only when he thought of it, or when he had time, which wasn't often, for the store was a busy place in those days. It opened at six o'clock in the morning and closed at night when the last customer was gone. It was closed during church on Sunday, for Ed was a sustaining and devout member of the little congregation that put up the first house of worship and brought in a young clergyman to guide their spiritual destinies.

But other times, day or night, he who pounded on Ed's door in need of oatmeal, or cough medicine or a bolt for a broken plow had only to make his wants known to get service.

Practically everything was in that first store with its open cracker barrel, its big, yellow cheese under a fly-specked glass shield, its pickle jar, its coffee grinder, its big stove, red hot in winter, and its suggestive box of sawdust on the floor.

Discretion in selling

TINWARE hung from the rafters, coffee and beans and sugar filled bins under the shelves that lined the walls. Opium, morphine, chloral and alcohol were sold over the counter without license or regulation, except that imposed by Ed's own conscience and muscle, both of which were equal to the task.

Steve Remson found that out. Steve, known locally as a bad actor, lived out west of town. His brood of nondescript kids ran wild for the most part while his wife filled the essential, but thankless, rôle of small-town laundress and woman of all work.

One dismal autumn night Steve lurched into The Store demanding alcohol.

"Got money to pay for it, too," he snarled and slapped a bill on the counter. "And it's none of your business how I got it."

He glared at the two or three loafers who were gathered about the
(Continued on page 66)



None knew how long it lasted, but when it ended Steve was on the floor

sidewalks or be thought hopelessly unprogressive. They put in hitching racks, too. Word spread that it was easy to shop at the Crossroads. No worry about where to leave the team and you could walk clear down the street without getting your feet muddy or, with due attention to varying ideas as to how high or wide a

A Box Seat in Washington

By IRA E. BENNETT, for 25 years Editor, "The Washington Post"

Dear Mac: Your last letter implies that you expect me to give you exact information as to what is going to happen. What I've seen during the past two or three years teaches me that it's the impossible that happens. Just put reverse English on the portents and maybe you'll be right—and probably wrong.

Now, Mac, you can size up a great deal for yourself. Just consider the horse-and-buggy economic theory of the antique Franklin, "A penny saved is a penny earned," and contrast it with the sweetly solemn thought given us today: "Uncle Sam's billions got wings." If you ponder this you may glimmer a portent or two.

As to your own business, you might consider the possibility of confusion resulting from a fight to bring industry under some sort of code control—"voluntary," of course, but with compulsory trimmings.

The President has indicated that he thinks new legislation to preserve NRA standards is necessary. You will perhaps recall that two days before Congress adjourned he wrote Senator Pat Harrison, Senate Finance Committee Chairman, and Representative R. L. Doughton, head of the House Ways and Means Committee, that "in the short time remaining it seems impractical to ask the Congress to consider an industrial statute of broad import."

The letter announced plans for conferences of labor, management and consumers on means of accelerating recovery and eliminating unemployment, indicated that code standards were breaking down, and suggested that the House and Senate committees' staffs prepare data for hearings to formulate permanent legislation.

December 9 Meeting

NEITHER committee has done this. However, I heard in early November that a man in the Treasury was writing such a bill. Meanwhile, the labor-management conference to consider legislative means of accelerating recovery is to open December 9 at the invitation of Coordinator for Industrial Cooperation George L. Berry. Major Berry was appointed by executive order, September 26. On October 8 he wrote to 5,300 labor organizations, trade associations and business men, asking if they would meet to discuss "the best means of accelerating industrial recovery, eliminating unemployment, and maintaining business and labor standards." Some 2,700 replies came back, he tells me, of which 73 per cent were "unqualified acceptances of the invitation to attend."

Less formally, he says that the discussions are to study extent of the breakdown of code standards and the disposition of labor and industry toward further legislation. There are no pre-conceived views of what the outcome will be, he adds.

What will happen if the conferees decide against legislation may be a little embarrassing. You perhaps have noted that the National Lumber Manufacturers' Association, the Institute of Carpet Manufacturers, the National Boot and Shoe Manufacturers' Association, the Automobile Manufacturers' Association, and President C. L. Bardo of the National Manufacturers' Association oppose new legislation. The shoe manufacturers point

out, for example, that "since the abrogation of codes, and by continued effort through voluntary agreement, the shoe manufacturing industry has made considerable progress" in fulfilling the conditions which Major Berry set out.

Other trade association men have told me that their groups also oppose further legislation and that they'll be on hand to say so. Hence the 73 per cent acceptance of which Major Berry boasts may presage only a dog-fight. Labor is expected to favor some sort of legislation.

Two Bills are Pending

WHATEVER the outcome of the conference, however, don't forget two hangovers from the last Congress, the O'Mahoney and Walsh bills. The first, the American Federation of Labor's godchild, proposes federal control of interstate industry through a licensing system. The Walsh bill passed the Senate last session and was pigeon-holed by the House Judiciary Committee. It is still alive. It would impose wage and hour standards on all government bidders and contractors and all work financed in whole or in part by federal funds. It applies to sub-contractors and material makers and numerous others. Since the Government is today's biggest customer, some believe that this would amount to general code control.

The railroads' experience with the Guffey law shows how sweeping the effects of such legislation can be. That Act provides that those having U. S. contracts must use coal produced according to the terms of the Act. Railroads were reminded that mail is carried under a U. S. contract.

Section 10 of the original bill extended the Act's provisions to government agencies in competition with private enterprise for contracts. This was stricken out in the Senate—on insistence of the powerful Army and Navy lobby, according to report.

Incidentally, the NRA field staff is now checking records of those who bid on government contracts. If the Walsh bill passes, information will be at hand.

What's NRA Doing Now?

SURE, NRA still has a field force—611 to be exact, plus 85 in the Field Division headquarters here in Washington. Remember the Supreme Court did not "kill NRA," it actually killed only the codes, and Congress extended the life of other features of the Act until April 1 next. NRA agencies are still sprawled all over town; personnel numbers between 2,300 and 2,400.

Laurence J. Martin has carried on as Acting Administrator since Administrator J. L. O'Neill resigned. The organization is now functioning through six principal divisions:

The Field Division, under Acting Administrator William Galvin, besides checking on maintenance of code standards by government bidders and contractors for the Division of Government Contracts (52 employees) and the House Judiciary Committee, is checking on whether those contractors claiming relief under House Bill 369 of 1934 (for amounts covering added costs im-

posed by compliance with the President's Reemployment Agreement) actually signed the Agreement. It is also gathering data for the Committee to Report on Changes in Labor and Trade Practice Standards.

This committee headed by Navy Captain W. P. Robert will make its report to the President on the extent of these changes about the time you read this. Major Berry has contacted numerous local labor union secretaries by letter in a similar survey. The Major denies it is an overlap. The Robert Committee's report is supposed to be impartial and, after talking with Captain Robert, I think it will be. Some 50,000 contacts are being made with business men and labor in some 225 representative lines of business and industry, the idea being to get a cross-section which will give an accurate idea of what's happened to code standards.

The Division of Review has 975 people at work under Dr. Leon C. Marshall, trying to digest and organize the 30,000,000 pieces of material in NRA files. They are compiling documented code histories of the 1,003 industries which made their figures and problems matters of record through the code conferences. Score on the code history front as I write is 160 completed, 843 to go.

Consumers' Council

THE Consumers' Division is a new—and growing—one. It now has 30 employees, headed by Director Walton H. Hamilton (he's also President's Adviser on Consumer Problems). He has an advisory council and an official organ, *The Consumer*. The last is not to be confused with *Consumer Notes*, the now-defunct publication of the consumer division of the National Emergency Council, or the *Consumers' Guide*, present publication of the Agricultural Adjustment Administration.

Before coming to NRA in 1933 Dr. Hamilton taught medieval history, economics and political law at various universities. Council members are Mrs. Emily Newell Blair, chairman of the old NRA Consumers' Advisory Board, once associate editor of *Good Housekeeping*, and a fighter for the Democratic Party and for suffrage; Michael Mark Davis, director of medical work of the Julius Rosenwald Foundation, secretary of the Peoples' Institute of New York, and University of Chicago lecturer; Leon Henderson, former NRA director of research; Calvin B. Hoover, consumers' counsel for AAA; Robert S. Lynd, Columbia professor, publicity man and author; Stacy May, assistant of the Rockefeller Foundation in charge of educational work, and Helen Wright, on the economics faculty of the University of Chicago.

I gather from talking with Dr. Hamilton that the Council among other things plans to broaden consumers' problems, encourage wider use of quality standards and grade labeling—and watch current legislation from a consumer standpoint. It's also studying factors which determine the prices of milk, dresses, ice, gasoline, paper, automobiles, tires, etc.

Voluntary Agreements

PRACTICAL politicians see in this and AAA consumer activities an administration effort to throw the burden of rising prices, not upon NRA and AAA policy, but upon middle men. Confirmation of this is discernible in the first portion of the milk study recently released.

Other NRA divisions are the Administrative Division (325 employees) and the Division of Business Cooperation (70) under Deputy Administrator L. H. Peebles. The latter is handling wage and hour hearings for those industries considering voluntary fair trade practice agreements which embody labor standards. Such agreements, if approved by the President, purportedly carry exemption from the antitrust laws. But in reality, my

lawyer friends tell me, such exemption covers only the setting up of uniform labor standards and action to eliminate competitive practices which are already illegal. Other than labor provisions of such agreements are handled by the Federal Trade Commission, just as are the usual run of trade practice agreements. These voluntary trade agreements containing labor provisions are essentially another device to maintain the old code standards. None have been approved, though four industries—wholesale tobacco, candle manufacturing, expanding specialty paper products and fertilizer—have held hearings. Five other hearings, all for comparatively small industries, are slated.

Contrast these with the nearly 40 industries which have asked the FTC for conferences on rules which will not include labor provisions and you get an idea of the relative favor the two types of agreements have won.

NRA activities from June 16, when it got its new lease on life, to November 1 have cost \$8,827,448.

Here are some other NRA figures. Peak in personnel was around 5,500. Peak expenditure for one month was about \$1,200,000 and total cost, June, 1933, to November 1, was \$22,940,384.30.

Elections—and the New Deal

NEW DEAL foes make much of November election. Whatever your views, don't be overly encouraged or disconsolate. Neither that election nor even the struggle of 1936 can end the New Deal. Even if important New Deal laws are scrapped by the Supreme Court, the power of Congress to tax and to spend money will not be affected. Adjustment of relations between industry and labor, care of the unemployed, and betterment of farm conditions will still demand attention. Look at the job that would face an anti-New Deal administration:

The toughest problem would be farm relief—to AAA or not to AAA.

The Economic Security plan would be difficult to undo. Too many men and women have had their hopes raised. Moreover, there is no strong united force against it.

Public Works might be stopped by letting the money run out, but a big bureau would have to be retained.

The lending agencies, the Home Owners Loan Corporation, the Farm Credit Administration, and the insuring bureaus might be checked, but they would have to continue in some form.

Consider these figures:

AAA contracts with farmers	3,000,000
Home owners aided by HOLC	1,000,000
Farm loans under FCA	2,000,000
In CCC camps	400,000
Families and individuals on relief	4,000,000
Workers paid for administering relief	200,000

There's a lot of overlapping there, but it gives a picture of the opposition to any undoing of the New Deal.

A shrewd observer of politics told me the other day: "If an anti-New Deal President should be elected in 1936, he will be the greatest martyr in history."

AAA Watches Import Figures

AAA expresses much joy over the corn-hog referendum. But some political writers say the joy is simulated. Nobody doubted the result of the vote—who would vote against receiving money? Some New Dealers, even, belittle it—"might as well have a referendum among admirals as to whether we should continue to have a Navy."

Since the ballot was cast it is good strategy to publicize it. But two things aren't talked about much: One out of six of those receiving checks voted against the program; the loss of exports and the increase of imports.

We are importing food and feed, partly because of

AAA restrictions, partly because of drought. The increase was greater in the first half of this year, somewhat lower in the third quarter. Here are the figures for nine months:

	Unit of Quantity	Jan.-Sept. 1935 Quantity	Jan.-Sept. 1934 Quantity	Per cent increase
Cottonseed oil cake				
and oil cake meal	lbs.	58,895,000	8,926,000	559.8
Peanut oil	lbs.	72,012,000	942,000	7544.6
Corn oil	lbs.	17,344,000	4,670,000	271.4
Wheat	bu.	20,947,000	11,544,000	81.5
Corn	bu.	34,809,000	817,000	4160.6
Oats	bu.	10,092,000	410,000	2361.5
Rye	bu.	9,437,000		
Barley	bu.	4,784,000		
By-product feeds of				
wheat	tons	239,000	117,000	104.3
Cattle, edible	no.	269,000	53,000	407.5
Meat products	lbs.	87,989,000	45,154,000	92.6
Butter	lbs.	21,948,000	644,000	3308.1

Hanging in the Balance

OVER many New Deal laws hangs the pall of doubt. The U. S. Supreme Court is weighing them. Chiefs of the agencies affected try to keep going, but there is deep anxiety and a slackening of effort.

The calm but irresistible assertion of judicial authority in the past year has immensely reassured those who feared permanent impairment of the federal structure. The judicial department stands immovable—and it binds the legislative and executive departments and holds them to their task. Don't worry, Mac; the three pillars of Government are firmly planted.

Budget and Bonus

THE budget is tentatively made up. The President is taking care to keep details confidential, so as to be free to make changes up to the hour that Congress meets. For political

reasons a handsome picture will be presented for the fiscal year 1937, beginning next July. Close analysis may show flaws in the picture—particularly if lawmakers kick against shifting relief to their States.

One thing is reasonably sure: The Administration will not propose a duplicate of the work-relief program. Something new and novel may be evolved. It's surmised that Roosevelt, Ickes and Hopkins deliberated on a new program while they were supposed to be depopulating the fishing-grounds off Cocos Island.

The budget doesn't necessarily embrace the whole fiscal program. The President can always send in supplemental estimates and special messages, and Congress can always make hash of the budget by passing a bonus bill with or without the President's consent.

They say that Mr. Roosevelt will ask Congress to provide taxes for paying the bonus if it insists upon passing the bill.

Just bear in mind the presidential and congressional campaign, the pressure for the bonus, and the conflict between federal and state interests touching relief financing—then you will see that the time to pass judgment on federal fiscal matters will be next spring, and not when the budget is sent in next month.

The Federal Reserve System

APPOINTMENT of J. David Stern as Class C director of the Federal Reserve Bank of Philadelphia under the Banking Act of 1935 causes much speculation. Mr. Stern's financial views are regarded as at least unorthodox, and financial observers wonder if his appointment indicates the type of man to be placed upon the new Board of Governors of the Federal Reserve system.

You recall that the Banking Act grew out of liberal, if not revolutionary, proposals from the office of Mar-

iner S. Eccles. Senator Glass' opposition led to revision that resulted in a pretty good law.

Class C directors—three in each of the 12 Federal Reserve Banks—are appointed by the Federal Reserve Board (now known as the Board of Governors of the Federal Reserve system). The three Class A directors in each reserve bank are chosen by and represent the stockholding banks of the District; the three Class B directors, also elected by member banks, must be active business men without banking interests.

Landon Relief is Watched

PRESIDENT Roosevelt now admits the distinction between employables and unemployables. Heretofore his chief aide, Harry L. Hopkins, has insisted that all with-

out jobs should have the same treatment. An effort may now be made to find out how many of the "10,000,000 unemployed" can't or won't work.

You have heard stories of absurd forms of boondoggling. As examples of federal activities they are astounding—but remember that unemployment unless relieved is incipient starvation.

The Administration doesn't take lightly what Gov. Alf Landon of Kansas has been doing. His record in localizing relief proves that boondoggling is not necessary in relief. Kansas counties scrutinize expenditures—hard heads cooperate with charitable hearts.

Guffey Act Waits on Court

MACHINERY to enforce the Guffey Act is all set up—and the Supreme Court will decide whether the wheels shall whirl or the machine be scrapped. Meanwhile the Bituminous Coal Commission, the Coal Labor Board, the Consumers' Counsel, and the 23 district boards of producers hold their breath.

If the Guffey Act runs safely through the gauntlet before Congress adjourns, similar legislation will be sought for other industries—anthracite, lumber, oil, textiles. In none of these industries is sentiment unanimous.

Social Security

THE Social Security Board of three has a skeleton organization of some 80—counsels, secretaries, clerks. Since Congress failed to appropriate for it, the money comes from relief funds. Odd sidelight—John G. Winant, mentioned as Republican candidate for President, now gets his pay from relief funds.

Eventually this Board may be the biggest political bureau in the Government—always assuming that the Supreme Court will have a heart. Suggested amendments are certain when Congress meets—one is the Clark Amendment to exempt employers with private pension plans or to exempt from taxation the salaries and wages of those in the upper brackets who would receive no benefits under the law. (The Department of Manufacture of the U. S. Chamber of Commerce will be glad to answer questions regarding the measure.)

Labor and the Constitution

NOTE two actions at the Federation of Labor convention at Atlantic City. The Federation passed a resolution against a third or labor party. Then, at the last moment it declared in favor of a constitutional amendment increasing federal power over intrastate commerce. If the Democrats in the coming campaign should follow the line suggested by the President in his "horse and buggy" press conference, the Federation might find itself practically committed to the Democratic party.

At its convention the Federation also decided to con-

tinue its fight for the Black-Connery 30-hour bill. It doesn't expect passage, but feels the bill is a good weapon to force through some federal control of wages and hours.

Government Securities

THE recent meeting in Washington of the Open Market Committee of the Federal Reserve system focused attention on the large holdings of government securities in the portfolios of the Federal Reserve banks and member banks—some \$2,400,000,000 in the federal reserve banks; some \$9,900,000,000 in the member banks. (This doesn't include government-guaranteed securities held by the member banks.)

Even if it be desirable for the reserve banks to reduce their holdings of government securities, will they be permitted to do so? Can the Secretary of the Treasury, with his large central banking powers and big stabilization funds, stymie the Reserve Board in most of its efforts to control the volume and quality of banking credit? Is not the Board now so stymied? Approaching fast is the prospect of large holdings of government securities to be accumulated in the Social Security fund.

Public Ownership

ADVOCATES of public ownership are staggered but not entirely knocked out by Judge Coleman's decision declaring the Public Utility Act invalid "in its entirety." They are proving that there is more than one way to skin a cat. It becomes apparent that the compromise on the "death sentence" was reached at least partially because those who favored it saw a different—and perhaps easier—way to reach their objective.

They hoped that the Public Utility Act would be tested piecemeal (the fair and businesslike method, according to unpublished statements of Chairman Landis) rather than have it catapulted bodily into the courts. This procedure would have given the Security and Exchange Commission a considerable time of operation as a regulatory body and would have concealed the real elimination objective.

Now the Commission will carry on, hoping for the best and fearing the worst. The supreme test of the Public Utility Act is impending.

The opposition to the "death sentence" which developed at the past session of Congress has convinced the public ownership group that they cannot hope for outright and nation-wide public ownership by direct congressional action. Now they are pressing vigorously along other fronts.

Public Works Administrator Ickes continues his campaign of competition by assisting localities which want to operate utilities. The Rural Electrification Administration with its federal funds makes a fine skeleton plan for public ownership on a national scale. Originally power companies were told to help. They were on the ground, and the way to quick results was to extend the existing system. Senator Norris and Carl D. Thompson, Executive Secretary of the Public Ownership League, put a stop to this.

"Why should we lend money to the power companies," asked the Senator, "when they will turn around and spend it to fight public ownership?"

Lobbying

HERE'S a warning: If you work for a utility, don't talk to Congressmen. Section 12 (i) of the Public Utility Act makes it unlawful for any person employed or retained by a power or holding company to present, advocate or oppose any matter affecting such company before Congress or any member or committee thereof

... unless such person file with the Securities Commission a statement covering the subject matter to be presented, his relation to the company and how much he gets for doing the job. If you are going to have lunch with your Congressman, better let the SEC know about it.

Bus and Truck Control

ADD to your alphabet collection BMC—Bureau of Motor Control. You won't easily escape it, whether you are running buses or trucks, for there will be a field force in 16 sections of the country. The Bureau expects to have 600 employees and a million dollar pay roll. (It will have more.)

If you operate buses or trucks you have until February 13 to apply for permits. If your main business is running motor vehicles you *must* register. Puzzles will arise over such questions as delivery trucks crossing state lines (New York stores delivering in New Jersey).

The new bureau has wide powers over safety appliances and hours of work which may affect many operators of private property carriers.

Tangle in Housing

A JAM has developed here. The Federal Government obtains land in a city and builds houses. Then the city says, "Well, how are we to get paid for the fire and police protection and school facilities that we furnish to you?"

Atlanta brought up this question. Administrator Ickes, of Public Works, asked Comptroller General McCarl, "Will it be all right to pay Atlanta five per cent of our rentals?" McCarl said: "No; the Federal Government and its activities may not be taxed."

Mr. Ickes hopes to persuade Congress to authorize him to pay a percentage of rentals "in lieu of taxes" to cities furnishing services to low-cost housing plants. As usual, this proposal to "get around" constitutional obstacles will invite attack. If the law authorizing low-cost housing is constitutional, the property cannot be taxed by a state—for the power to tax is the power to destroy.

Incidentally, a recent compilation shows that 48 federal agencies have a hand in housing.

Business Politics

CANCEL out such factors as government expenditures and the uncertainty over war and still business continues optimistic—with an "if." The "if" being further legislation interfering with business.

One solid piece of comfort is the steadiness of business improvement during 1935. In 1933 a sharp rise was followed by a deep decline. The same thing happened in 1934. In 1935, gains have been more stable. If this is a "portent," it's all to the good.

But politics butts in to obscure the horizon. Congress will try to get away early—primaries are coming. Lawmakers will try to dodge any new tax proposals. No candidate for reelection cares to face the home crowd with a higher tax law as part of his record. In spite of efforts to slide through without making any history, the coming session will be eventful, and business would do well to be watchful.

It would be uncertain enough if only politics intervened, but another factor must be borne in mind—the final judgment that will make or break vital New Deal laws. These laws are tangled in the roots of business.

So there you are, Mac. Abnormal financing, the spending paroxysm, concealed objectives, giant contending political forces, life-or-death judicial decrees. It's a time for taking cautious advantage of healthy forward business tendencies while bracing yourself against possible awkward readjustments.

Ho! For the Open Road!



1

WHO is our hero with the new and shiny car?

He is Paul John Thomas and with him are Mrs. Thomas, Paul, Jr., and Mary Jane.

Mr. Thomas has just bought a new car, one of the most popular of cars for the ordinary citizen. It cost him \$540 at retail or about \$450 wholesale.

Has Paul John paid any tax on the car yet? He doesn't know that he has but he *has*. He has paid the Federal Government \$13.50 as an excise tax on the car itself. He has paid \$1.60 tax on extra equipment and he has paid \$2.85 on his tires and tubes—all to the United States Government.



2

AND now Paul John is tax free and ready to set out for his journey.

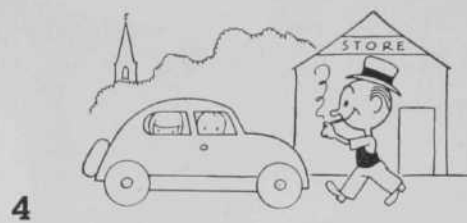
Oh, no, he isn't. He hasn't begun. He can't drive without paying a state license or a registration of some sort, and a drivers' license and he had better make sure his personal property tax is paid—at least if he dwells in any one of the 21 states or the District of Columbia that levy personal property taxes on cars for personal use.

He lives in the District of Columbia, right under the shadow of Uncle Sam's big buildings, where motoring is cheap. So he pays \$1.00 license fee, another \$1.00 for a certificate of title, \$3 for his operator's license (good for three years) and \$6.75 for a personal property tax. He might have lived in North Carolina where he'd have paid \$.50 for a certificate of title and \$1.69 personal tax; but he'd have had a 41 cent municipal tax and \$15.84 state license fee and \$16.20 sales tax.



3

SURELY he can start now? No, wait a minute. He must have gas and oil. So he puts in ten gallons of gas and six quarts of fresh oil. He pays the Federal Government ten cents on the gasoline and six cents on the oil. He pays the District of Columbia 20 cents more on the gasoline. If he'd lived in Decatur, Ala., he'd have paid \$1.20 in federal, state, county, and city taxes on the gasoline. If he'd waited to get out of the District of Columbia and into Maryland he'd have paid 40 cents to the state instead of 20.



4

NOW surely he's free. He's got by the Federal Government, the state government and the city and he's headed for the open country. But wait a minute. By jinks, he hasn't got a cigarette. So he halts. Cigarettes are two packs for a quarter. He doesn't stop to think that he pays his benevolent uncle in Washington six cents on each package. If he did he might figure: "I smoke a package a day, that's \$21.90 a year." He's fortunate he wasn't driving in Iowa where the tax would have been four cents more.



5

HELLO, Mary Jane's thirsty and when she's thirsty you can be sure Paul, Jr., is, too. Let's have two bottles of pop. Any taxes here? Oh, yes. The Government at Washington taxes grape juice and other fruit juices, mineral waters, fountain syrups and carbonic acid gas. John Paul, Sr., is wondering if he dare brave Mother and drink a bottle of beer. If he does he pays 1.6 cents federal tax.

And there are sales taxes in many states, too.



6

NO DAY in the country, in the new family auto, could be quite complete without a hot dog. Paul Jr. and Mary Jane don't know it and father and mother don't let it worry them, but there are taxes tucked away in the sausage and roll, processing taxes on the flour in the roll and on the pork in the frankfurter sausage. But those are hidden and hard to reckon. Perhaps we'd better leave the family to their luncheon.

7

THE motorist is an easy victim. His car is in plain sight and somehow law makers still look up to it as something of a luxury. They wouldn't perhaps tax a washing machine or a stove, but they go on piling it on the car owner. The first year's ownership of a small car costs from \$41.40 in the District of Columbia to \$88.09 in North Carolina. Operator licenses cost from .25 to \$4.50; gasoline pays from three to twelve cents a gallon; sales taxes run from one-tenth of one per cent to three per cent of retail value; the personal property tax on a \$540 car is from 44 cents to \$7.67 and the municipal tax may be from 27 cents to \$4.20, but there's always something.



People like to test themselves. This man is learning at what wattage of General Electric lamp he can read most easily

SUCCESS of the two-year Chicago World's Fair brought on a renaissance of expositions. Witness the California-Pacific International Exposition held at San Diego, the Texas Centennial planned for Houston in 1936, a projected World's Fair at St. Louis in 1937 and others at San Francisco and New York.

In the next few years businesses large and small are going to be solicited as never before by their local dealers and by the newest world-fair salesmen to spend large sums to take part in these highly ambitious projects. Few will escape an appeal. Is such participation a mere racket or is it worth the cost either in sales, in advertising or even in just plain good will?

The answer is "yes," if, and *only* if, the company's exhibit is intelligently planned and executed with showmanship as the prime consideration.

In the big exposition—and the same is true of the trade show or industrial convention—the company has the opportunity to meet the customer face to face. This is the strongest kind of contact. However, the very intensity of this contact, the wide range of appeals possible through all the human senses, make the risks as great as the promises. As with no other advertising medium, the big-show exhibitor must watch his step.

How then can the advertiser make his exhibit pay? What have successful participants in past fairs done? Why does one exhibit fail where another succeeds brilliantly? What are the rules, the do-and-do-nots of planning and executing an exhibit intelligently?

Answers to these questions are given out of an experience spanning 11 years in planning and handling exhibits for small and large advertisers. This experience ranges from participation in a notorious flop of a fair,

World's



ALL PHOTOS BY THE AUTHOR

Instead of having a sales talk broadcast, Stewart-Warner let visitors pick up an earphone to hear it. This personalized the message

the Sesqui-Centennial at Philadelphia, to the success of Chicago; from a small booth in a trade show to helping plan one of the most successful exhibits ever staged, that of Ford at Chicago which drew more than 12,500,000 visitors in the summer of 1934 and as many as 350,000 in a single day; also as advertising agent for an exhibitor, as an exhibitor, and in the present capacity of a creator and builder of exhibits.

1. Unify your story into one main point, easily visible so that he who runs may get it.

At Chicago there were more than 80 running miles of aisles. By actual test it took more than a month to see all of the exhibits thoroughly, and most visitors spent less than a week at the fair. It was hot. After a few hours the crowds were tired. The big-show exhibitor must overcome similar conditions at any fair. Let him grip the visitor's interest in one big point, however, and he can hold it long enough to put over details.

General Electric had to tell about a wide line of

Fair Advertising Can Pay

By HERBERT KERKOW

SOME observations on crowd psychology by a man who has spent 11 years producing fair exhibits. His rules hold good for the county fair or the industrial display as well as for the International Exposition



Fair visitors like to watch others work. Union Carbide & Carbon used this fact to show the methods of welding

While visitors waited in line for a tin can bank, American Can demonstrators explained the values of packed food



products. It did it by adroit grouping of products about three main shows. A cooking school standing out upon a stage was the hub about which it assembled its kitchen and household wares. About a lighting demonstration it displayed its large line of related equipment. Its House of Magic was the big point around which revolved its story of research.

Sears Roebuck, with thousands of products, made its central theme nation-wide service. Entering its building the visitor had to stop to see a huge map dominated by the company's warehouses and stores. He got the message again by a motion picture in a downstairs theater. If he got nothing else from this exhibit he could not escape the company's most-telling sales argument.

2. In putting over your one main point, remember the rule of the dramatist—show 'em while you're telling 'em.

Demonstration is the heart of successful showmanship. Briefly it may be defined as an organized dramatic presentation of a sales story. It is done with apparatus, which may include the product. If possible the apparatus should be operating, and its actions plus those of the demonstrator should tell your story in everyday language and symbols. The appeal should be to as many senses as possible, sight, hearing, touch, taste, smell.

Many companies have failed to use demonstrations at past fairs because, to develop a good one requires a new

type of thinking and imagination, but no really popular exhibit has been without this compelling bid for attention. At Chicago, Ford showed the processing of raw materials into finished parts, General Motors took parts and assembled them into cars, Chrysler took cars and sent them speeding around a test track. Here was the story of the motor car, from earth to highway.

As a substitute attention-getter, especially if your story is long, dramatize either with puppets or human actors. For certain sales problems the puppet show is the better bet. Kelvinator wanted to show the history of refrigeration from the cave man to the modern housewife. It would have taken an Edwin Booth and a Max Reinhardt to have made the cave man seem real in the flesh but with puppets the illusion created was excellent, and the expense infinitely less.

Swift packed them in with a puppet show in which vegetables and cows were the puppet actors. The light and power industry used puppets to personify the telephone, radio, electric lamp and so on. Both told an old story but told it in a new way.

3. Let them see how your product is made, how it is used, how it is tested.

People always like to watch other people work. A man

swinging so simple a thing as a sledge will draw a crowd. But face the workers toward the audience. At the Ford Exposition Bendix did, another exhibitor didn't. Result, a jam in front of Bendix.

4. Try to find a way in which science may be used to bolster your story.

This has a two-fold advantage. A scientific demonstration, if it is new and popularly done, creates talk and publicity material for magazine and newspaper writers. Also science overawes the average world's fair visitor even if he does not understand it. As you witnessed the House of Magic show at Chicago you may have seen no connection between it and G. E. refrigerators, for example, but nevertheless you went away impressed mightily by the fact that the company was exhausting every possibility in scientific research to attain the best in all of its products.

5. Advertise by not advertising.

You have paid your money for space and you expect to get something back for it. You should get something back, but you won't if you overcommercialize your exhibit. The visitor, too, has paid an admission fee and he is out for pleasure and education. If at every turn he is given a sales harangue and somebody tries to get his name on a list to be sent to salesmen, he will quickly go elsewhere on the grounds for what he is seeking.

Too many exhibitors try to "sell" instead of educate, though the latter is really the best form of world's fair selling. Ford got a lion's share of the advertising at Chicago by not advertising. In his exhibit nobody was asked to buy anything, nobody took names, nobody "buttonholed" prospects for future highpressuring. And Ford advertised widely through other media, notably printers' ink.

6. Let the visitor take part in your exhibit if possible.

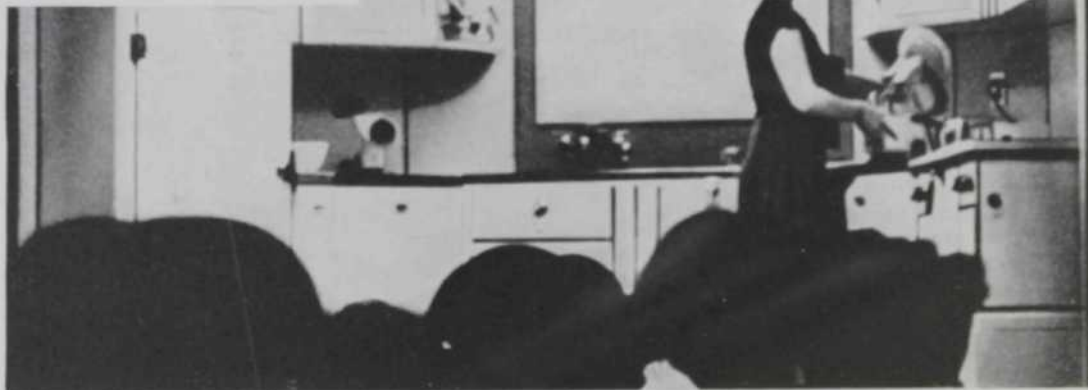
One exhibitor used a giant robot which spoke through the medium of a phonograph record. This was unusually well done, yet many people passed it by. Elgin Watch had a far less costly automaton whose eyes flashed fire and whose hand moved back and forth passing out advertisements.

(Continued on page 46)



Westinghouse heeded the axiom "interest the kids and you interest their parents"

With a kitchen as a stage and a housewife as a heroine, Westinghouse filled its theater every show



Don't Copy Germany's Mistakes!

By GUSTAV HARTZ
Former German Labor Leader

SOCIAL SECURITY on a national scale through congressional action is something new in the pattern of American life. The legislation contemplates, not an emergency adjustment to unusual conditions, but a Federal intervention in the established manner of providing insurance against the adversities growing out of employment. The bill introduces a wholly novel factor in the economic order; it opens fiscal and social possibilities leading no one knows where; in still another way it gives the Federal Government authority over the intimate affairs of the individual. The fact that the people of the United States are now committed to a vast scheme of public benefits is in itself invitation to consider experience accumulated elsewhere. What happened in Germany when idealistic theory met the icy realism of practice is told here by an observer once identified with the causes of labor who writes in a spirit of being helpful to a cause with the objectives of which he is in sympathy. THE EDITOR

ALMOST exactly 50 years ago, the first law of modern workmen's insurance (social security) of the world came into force. It was the law establishing sick insurance for industrial workmen in Germany. Although the idea at first spread slowly, similar plans ultimately found their way into many states. Social insurance became the corner stone of modern workmen's social politics.

When social insurance was first introduced, Bismarck—then chancellor—was warned against taking this "jump in the dark," for nowhere did any experience in the matter exist.

Now the introduction of social insurance no longer means jumping in the dark. We look back upon a half century of experience that points out the way to real social security—and at the same time shows what cannot be done.

The motive which leads to the

adoption of social insurance today is fundamentally the same which led Germany to adopt it 50 years ago. Because of the rapid development of industry, the number of industrial workers increased rapidly. They crowded more and more into the industrial centers. The conditions of life were none too good.

Among these discontented masses,

the doctrines of Marx, attacking the existing social order, were preached. Though the laws forbade Marxist organizations and open propaganda, the doctrines crept in through a thousand channels. They threatened to endanger the state.

This led to the establishment of social insurance.

The State wished to relieve the

Reinhard

Gesellschaft mit beschränkter Haftung

Löhnung vom 6. Okt. bis 12. Okt. 34

Name Hermann Hillenbach

48 Stunden à M. 81 M. 38.88

Überst. à M. = M.

Bruttolohn M. 38.88

Abzüge.

Bruttolohn... 38.-(abgerundet)

Steuerfrei 24.-

10% Steuer d. 14.- M. 1.40 (5% v. Lohn)

Krankenkasse . . . 1.30 (davon 7/8)

Erwerbslosenfürsorge .. 1.26 (65% v. Lohn)

Invalidenversicherung .. 1.05 (dasselbe trägt die Firma)

Arbeitslosenhilfe . . . 1.95 (2 1/2% v. Lohn)

Bürgersteuer .. 1.50 (wird nur 10. x 24)

Ehesandshilfe .. 1.14 (3% v. Lohn)

Gesamtabzug M. 8.60

ab 1/11. kommt neu hinzu: Nettolohn M. 30.28

Arbeitsfront (nach Paffel) - 83

Werkhilfswerk (20% v. Löhnen) 29.45

A German pay envelope showing deductions for social insurance. The average for the whole country is 20 per cent of the pay

workmen of the anxiety for future disability when they might find themselves without earnings. It also wanted to stop their grumbling, to crush revolutionary aspirations; in short, to turn the workmen into contented citizens.

To consider unemployment insurance an achievement of recent years, to call it the "crown of social insurance" is a mistake. Every social insurance is an unemployment insurance, whether the unemployment is due to illness, accident, early incapacity, old age, or simply being out of work.

The destitution which results when the impecunious are unemployed is not really a social malady. It is rather a reaction, a fever, produced by a deep-rooted social disease—the masses' lack of means. Social insurance is, as it were, an injection against the fever, but it does not reach the actual seat of the disease. On the contrary, it is easy to prove that frequent injections actually aggravate the trouble.

No relief from discontent

ONE might suppose that, in Germany, with the most widely developed social insurance system in the world—a country where every workman was provided for in all contingencies of life; where the future mother was cared for, the first milk for the infant provided, where the funeral expenses, or those the deceased left behind, were not forgotten by the social insurance—a social upheaval would be least felt. The reverse actually occurred.

Social insurance not only failed to make the workmen contented and loyal citizens; it actually did quite the opposite.

No doubt there were other causes of discontent, but social insurance, by relieving the workmen, to a great extent, from the burden of having to provide for themselves, posed as the

great "benefactor." This made it the scapegoat upon which all demands, all discontent were thrust. Social insurance naturally is only able to grant a minimum and, in connection with this minimum, the saying was coined:

"Too little to live on and too much for starving."

From the very beginning, the radicals called social insurance "Beggars' soup politics" and they never ceased demanding an increase of the allowances.

Figures indicate that these demands, from the workmen's viewpoint, were justified.

The average old age and incompetence annuity at present amounts to:

	Per month approximately
For the person insured.....	\$7.00
Widow's pension.....	4.50
Orphan's allowance.....	2.50

Sick allowance and unemployment insurance are approximately half these figures.

On the other hand, the allowance must necessarily be insufficient if it is to be maintained. Consider the results if a man drew the same amount for sickness that he received for hard labor.

These incompatible contrasts are bound to provoke new struggles. Social insurance, which was expected to bring the Fatherland "new, lasting

guarantees for inner peace," brought more and more social unrest.

All political groups happening to be in power have, in anticipation of impending elections, made concessions incompatible either with reason or sound economics.

Though the greatest social crisis the world has ever seen may have been caused by many other factors, particularly by the war and the new conditions it brought about, the crisis in many countries did not become so great in spite of, but on account of, social insurance.

Woe to the state which imagines a comprehensive system of social insurance may alleviate or stop a coming crisis. Sad disappointments await it. Every economic crisis swallows up the best organized social insurance and consumes its funds at both ends—at the end of the diminishing premiums and at the end of the increasing benefits.

The reason for this is chiefly that most social insurances are based, not on actuarial reserves, but on a system of funds sufficient to cover the demand. They do not accumulate in long spaces of time a sufficient capital for future payments. They live from hand to mouth, taking the premiums with one hand from the healthy and from the employed and paying them at once with the other hand to the unemployed and sick.

(Continued on page 61)



COURTESY PENNSYLVANIA SELF-INSURERS ASSOCIATION



GIGANTIC sums of the workmen's capital are used to house the offices which administer the funds. In many cities the sick insurance palaces and the unemployment offices are the finest in town. Above is the Insurance Administration Building in Berlin. Left, a similar building in Neustadt a. H. The lavishness of the building program finally caused a public scandal

Public Servant

By KENNETH COOLBAUGH

AS FAR back as memory serves me, educators, statesmen, candidates for elective office, students of government everywhere, have contended that more of America's youth should seek appointive public office.

That they should aspire to it no one ought to dispute. Yet why, in normal eras, so few of any age even seek it generates a query worth the vigilant interest of any citizen who cares a peppercorn what kind of public service he gets because, although administrations, federal, state, city, come and go, the quality of their service to the public, when all the returns are in, rests upon the capacity and morale of the men and women who serve under them and who remain to carry on after they have ceased to administer.

Nearing 20 years I have been on the pay roll of a state whose star graced the flag when the Republic was born. It has treated me well. I cherish no regrets. Salary and expense account checks regularly as the gas bill, generous vacations, sick leaves with pay; all these, and unforgettable friendships, have been my lot and the lot of those with whom I've worked. In private industry I have seen nothing more generous on those scores.

And yet if I had a boy and he asked me—"What about it—would you advise me to try for a job in the public service?"—I couldn't in conscience answer yes or no. I could only tell him what the years have told me. And today, when public paychecks flow like pre-crash dividends and politicians prattle piously of the sins and ineptitude of private enterprise, that story ought to be timely and thought-provoking.

Take, for instance, the first step—getting a public job.

You want to work for your city, state or national government. Shyly



They get the jobs because they tipped the political scales when needed

IF you have wondered why Government operation cannot be as efficient as business operation, here is an answer by a man who spent 20 years as a government employee. He not only tells you why government is inefficient, he tells you what to do to remove the causes of inefficiency

you confess you have ideals. A grandfather died at Shiloh, a brother at Sedan; as a youth the lofty commonplaces of Cleveland's messages to Congress; the memory of a Roosevelt, bullet-stricken, pleading for tolerance and sanity; the unobtrusive dignity of a Wilson inaugural; your college baccalaureate—one or all fired you with zeal to serve your country.

The job you want, we'll say, is subject to Civil Service. Fine! You're for Civil Service. It plays no favorites!

You take the examination and pass with bells on. Perhaps you head the list. You find that out because the results are a matter of public record. So you wait hopefully shunning, perhaps, a job in private industry and—then awake to find, times innumerable, that someone whose rating you topped got the job by persuading a senator, congressman or other elective officeholder, sworn to represent you, to say a word where it most helped.

"Influence" gets the job

YOU had and hold a right to believe that such things aren't done. Yet they are done today on a scale unprecedented. If you don't think so, angle for a job subject to Civil Service.

Why believe that, because we have prodded the legislator into creating a Civil Service, he will lose sleep conjuring up ways to make it puncture-proof? The privilege, the power, to bequeath jobs is the copper rivet that he believes will keep him in his own job.

Civil Service is merely what the politician manages to make it—or what an ever-alert and articulate public unceasingly demands that it be.

So you take a job in industry where a man may have said a word for you not, one time in 20, to help himself, but because he wants to help you or believes you can do the job.

But it's when you stalk a job above which the halo of Civil Service neither flickers wanly nor shines resplendent, you begin to wonder how much fiction lurks in the story you had heard about the fate of the office-seeker who, having dragged the body of an officeholder from the river, footed it to the desk of the deceased's political sponsor and panted:

"We've just pulled Joe Alber's

body out of the river. How about his job—for me?"

"Too late," came the answer. "I promised it five minutes ago to the man who saw him fall in."

In business you hear or read of a vacancy and hop to it and if you can do the job as well as the other fellow you have as fair a chance as he of landing it. When the employer finally engages you, he doesn't, by and large, feel that you owe him anything for giving you the opportunity to show your wares. If you make good he is as pleased as you. The slate's clean—you owe him nothing. But in the public service—it's different. You owe a debt of more or less ephemeral gratitude and allegiance to the man who underwrites you for the job, competent though you are to fill it.

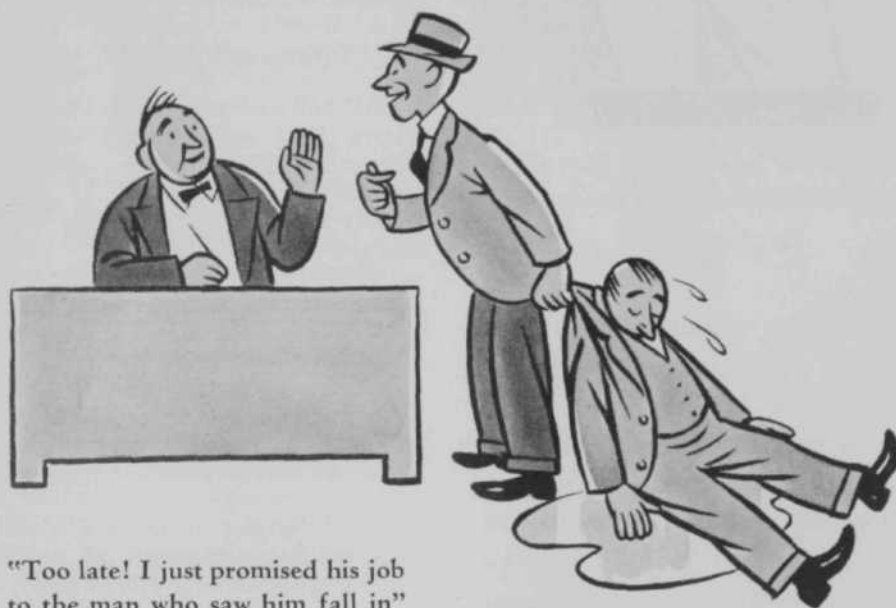
Rarely can you snare a job in the public service without an elected representative of the people endorsing you unless he realizes the moment's need for your brand of skill is such that the public's business would seriously lag without you. Take a harmless Brodie to test the current. Apply at any one of the country's 751 public employment offices for a permanent

a gem but it's hard to prove until one sees more of it.

Not long ago I met at bridge an engineer of outstanding achievements in a technical field of private business that dovetailed with a type of work his own state government had long engaged in. An earnest young man, new to the ways of public service, had interviewed him in one of these offices and, impressed by his personality and background, naïvely had telephoned a high official at the state's capital, soliciting an interview for the engineer as a candidate for a vacancy, carrying a ten-grand salary, he had read in the newspapers, which existed on a public commission.

Discouraging the capable

THE official called, I happen to know, has not yet recovered from the shock. Why—ah—yes, he'd be glad, of course, to interview the gentleman, but inasmuch as so many candidates had been considered and the selection all but made, he did not think it fair to the engineer to suggest his going to the expense of a journey to the capital. Around the capitol grounds



"Too late! I just promised his job to the man who saw him fall in"

job with your borough, city, county, state or national government. Civil Service lists ever excepted, if you even hear of one such job, the Irish Sweepstakes are run for you.

But don't blame those who conduct the offices, because permanent public jobs are not given them to fill. They are there to fill the hand-to-mouth, made-work jobs government today gives them to pass out and—the real-need jobs in industry and commerce which private business entrusts them with and that alone can lift us to higher living levels. Consistency in public administration may be

one still hears laughter when the incident is recounted—ever at the expense of the guileless youth. But is the laugh, I wonder, after all, on him?

Times unnumbered I've heard department heads and bureau chiefs exclaim:

"He's just the man I want. It would be my luck that he doesn't know any one."

"I'd take him in a minute no matter what his politics, but I'm powerless. If he only had the proper backing!"

For the public job, then, one needs references of a kind strange to business.

Typical is the experience of an accountant. Hundreds of thousands—and I weigh my naughts—of men and women have swallowed the dose that he did. Businesslike, he shot straight for the bull's-eye later to find that he would have fared as well had he aimed askew. Having written to the head of a state department, filled out and returned the formal application for employment sent him, he awaited action. Reasonable time elapsing and aware through the press that staff additions were being made, he personally called upon the department head. The latter, honest as a day is coming, frankly told him that, if he could get Senator Gray to endorse his application, it would in all likelihood insure him the position; that a man of his caliber was needed.

Senator Gray, the accountant did not happen to know, was the state senator from his own district; in truth he was not sure which party the senator graced and, having split his ticket at the past election, whether he had voted for or against him. Though it did not make sense to him, he, nevertheless, wrote for an appointment.

The senator, had he not been in committee or out of town, would gladly have seen him as he ever made a point of meeting face to face those whom he represented.

The senator's secretary informed the accountant that, though the senator would be delighted to see him later in the week, time could be saved if he would do at once a thing she knew the senator would ultimately suggest his doing:

Local endorsements needed

SEE Mr. White, his city councilman, whose endorsement to the application was essential.

He did not know his councilman's name and again he wasn't sure just how he'd marked his ballot. White, a neighbor told him, also represented their ward in the City Committee of the dominant party.

But why prolong? White informed him the pending openings were news to him, and quite casually asked did he know Brown who ran the cigar store in the vest-pocket precinct in which he lived? Yes, he knew the store because it was used as a polling place election days.

No political incubator ever hatched a better egg than Brown:

"Sure, sit down, I remember you well. Apartment 3-A. You moved in during the Blare-Horn campaign. Your boy's in the same grade as mine. Tried to get your wife to the polls in the primary but I guess. . . . Sure, I'm for you if you can do the job; I got no one for it. It'll help me if you make

good. You saw White? . . . What did Whitey say?"

Nothing—at least to Brown or Gray—so Brown didn't put his shoulder to the application because White didn't suggest it and he couldn't afford to put White, his boss, on the spot unless the latter showed a willingness to be placed there. So it ran on up the line. Others got the positions, the majority I'd say as able as he. The how and why are simple. In their home bailiwicks they tipped the political scales as the elective officeholders eyed them, yet, believe it, none of the appointees had ever carried a ward, or even his precinct and my guess is that all, one time or another, had split a ticket.

Some reached their goals because the Grays, Whites and Browns of the state knew them or knew of them before the jobs materialized and rated them as potential assets in the dual business of government and politics. Like the private employer, they naturally leaned to the job-seeker whose record and personality they already knew. Others attained the pay roll because these same gentlemen, all for one, one for all, agreed it would be good policy or what you will to sponsor the applications once they had been imprompted to do so by influential friends or prominent laymen in business and civic spheres.

It is that first long jump, then, over what looks like dirty water which makes so many men I've known who aspired to public work and could do it well rein in, dismount and sigh:

"Oh, well. I guess I'm not cut out for politics."

Little future in such jobs

BUT once employed, what is ahead—in the line of promotion, for instance, assuming you ultimately overshadow your job?

Mountains of exceptions cannot mask the stark fact that, by and large, the overwhelming majority of men and women who enlist in America's army of public servants never attain a higher rank nor have a fighting chance to earn one. In the lexicon of America's public payrollers, career is still a dream word. Again those who underwrite appointments control, in large measure, promotions. What do you amount to in your home town, county, ward, precinct? Who originally backed you? Does he still? If so, where is he sitting at the moment on the political carousel—riding high or lonesome? With what party or faction thereof?

I see them as I write, the battalions past and passing—in the thirties, for-

ties, graying—men and women who had quit grammar or high school to support a stricken family—addicts to night and home study courses—college graduates, well degreed—from city, farm and mine pit—their roads to broader public usefulness ever dependent upon the judgment, whim or prejudice of men other than those under whom they work.

One wonders how long a commer-



"This will introduce your successor," was all the note said

cial enterprise could survive if a directing head of a department or division, wishing to promote a clerk to chief-clerk, a salesman to district manager, a private secretary to purchasing agent, even felt it politic to seek the approval of anyone other than his immediate superior.

"A cabinet officer, department head, bureau or division chief is stricken, fired, dies or quits—what happens? Are we here the rule or the exception?"

The government travel orders of the man to whom I put that question list in a year's time the capitals of 38 states. His smile was fraternal:

"What happens? Simple. Someone next in rank places 'Acting' or 'Deputy' under his name and assumes the larger duties—at his current salary. He simply keeps the office fires burning—and then breaks in a new boss. But, of course," he added dryly, "if miracles did happen and he were offered the position—well, like me, he'd be slow to stick his head up. Most of them would prefer not to accept. Any more foolish questions?"

Tonight the press told of a cabinet resignation, like countless others everywhere, and closed with a phrase as trite as "police say":

It is probable that an acting secretary of the department will be designated to act during the coming months.

In the coming months the ex-cabinet officer will run for high elective

office. If he loses, he will return to his former post—and the deputy to his. If he wins, his former deputy will still go back to his former job regardless of how capably he did the temporary one because a new secretary will be appointed and the public will pay the high cost of another apprenticeship in governmental administration as it ever has and ever will until it catapults to elective office more business-minded men who will run its business as they know even in their densest moments they'd be compelled to run their own.

Fear of the ax

"I'M NOT sticking my head up." Whether employment was good or bad, I've heard that expression as often as I've heard, "Bridge, my dear, is a partnership game."

With millions of jobless pleading for an opportunity to work and millions more seeking a living better and more secure, unnumbered thousands fear to strive for or to accept bigger tasks in the public service because they or theirs fear the ax of the political spoilsman.

Experience has taught them that the bigger the plum the bigger the eyes to roll at it and the more grasping the hands to reach for it.

So, philosophers content or resigned, they remain at their posts and, take it from me, with old bosses, new bosses or no bosses at all, conduct the business of government with a dignity and dispatch and as much integrity as I've ever gleaned in any citadel of private endeavor.

Come, too, the months when "Politics absorb the livelong day," and you ask your wife, a friend, or your conscience:

"What would you do about it? I don't like him, I never did. He's in the clear so far as financial integrity goes but, knowing what I do, if I were you, for instance, I couldn't vote for him. Yet he heads the ticket. Would you work for him at the polls? I may be asked to—if asked is the word. Then, there's a contribution to the party war-chest. No one likes a piker. A circular letter came through today from the chairman of the party's campaign committee—a lawyer who's hoping for a judgeship if the ticket goes over. If I don't chip in it may mean my job.

"You never know. Most of the boys—John, Matt, Bob, Neil—are contributing more than they can afford. Some told me they had to borrow the money at 24 per cent. What would you do? Ought the holder of a public job be politically active—even on his own time? The private citizen can contribute and work his head off for

(Continued on page 58)

The Strangulation of Trade

By STERLING E. EDMUNDS

of the St. Louis Bar

LAST month, in his first article on this subject, Mr. Edmunds discussed early measures by which the Government, under the plea that it is helping the people, actually destroys their ways of making a living. This month he completes his case

PART II

IN THE program of legislation put through the Seventy-third and Seventy-fourth Congresses, on demand of the President, beginning in the spring of 1933, we have seen the strangulation of trade and industry by Government action so intensified, in spite of public promises of the President himself to abate them; we have witnessed such a callous determination to make the President the legislative and executive head of a centralized socialistic despotism, not in the orderly way of using the

amending clause of the Constitution, but by the most studied usurpation, that what was alarm among our people before 1933 may turn to the deepest indignation and resentment, once the full implications of a "planned economy" are understood.

This great mass of legislation, all drafted in the executive branch of the Government and sent to Congress, to be registered, in effect, like imperial decrees, not only contemplated the regulation and control of all commerce and industry, with the fixing of prices, wages and output, and limiting the right of the citizen to engage in business, without a "certificate of necessity," issued or withheld by some obscure government clerk, but it extended, as well, to agriculture, with power to limit crops and order and regulate the country's food supply.

There is no half-way stopping place in government control of commerce, industry and agriculture. The control of one product is rendered futile by the freedom of competing products, which must also be controlled. If in-

dustry is controlled, then commerce must also be controlled to suppress bootlegging. Each successive step requires another, with ample coercive power behind it. A limitation of one crop means the use of the land withheld for other crops and new surpluses, which must also be controlled if they are not to cause serious dislocations to established growers.

Headed toward complete socialism

THE number of those engaged in commerce, industry and agriculture must also be limited, if control is to be effective and, finally, this policy arrives at its logical end of compulsory service to the state, in which the manufacturer, the merchant, the farmer, the baker, the butcher, are bound to their callings from one generation to another. These policies of state socialism, applied by the Emperors Diocletian and Constantine, actually produced this condition of economic slavery and rural serfdom throughout the Roman Empire on the eve of the eclipse of its civiliza-

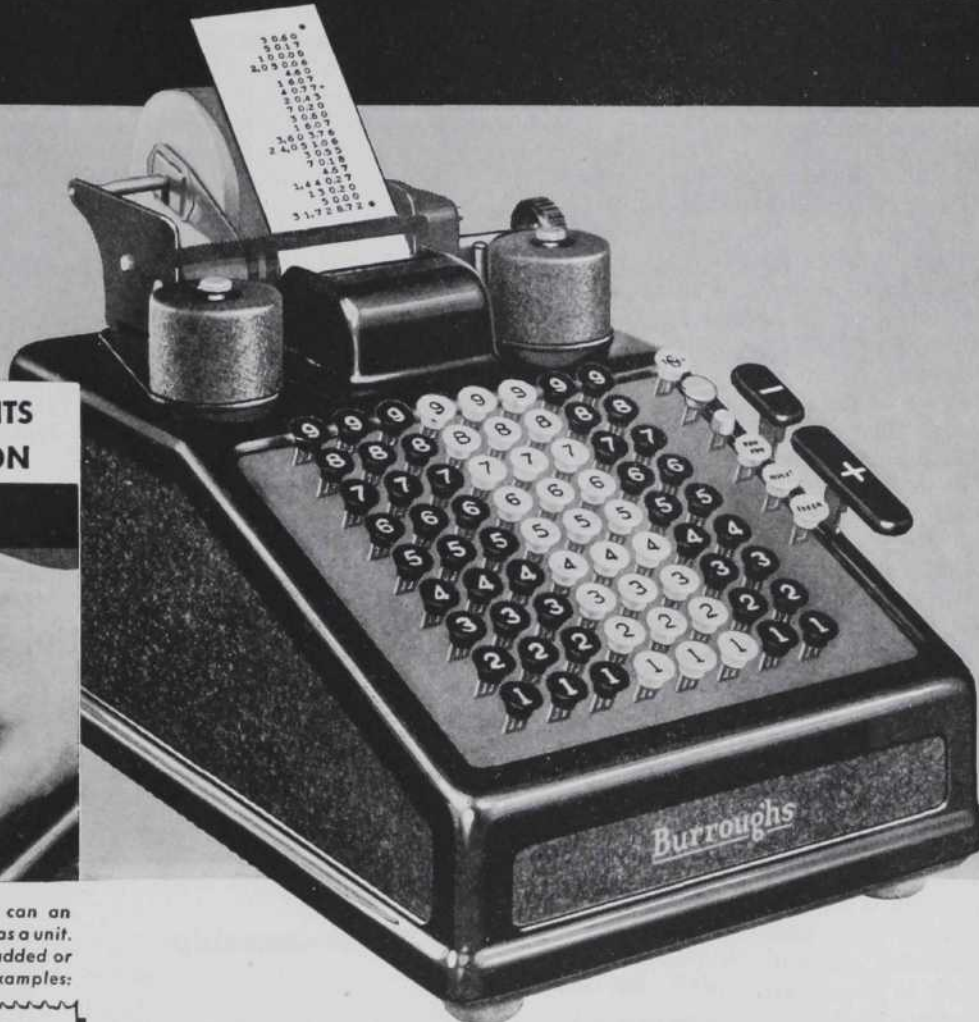


CHARLES DUNN

There is no half-way stopping point in government control of commerce, industry and agriculture

Burroughs

SHORT-CUT KEYBOARD



**ENTIRE AMOUNTS
IN ONE MOTION**

10.67

Only on the short-cut keyboard can an amount be thought of and written as a unit. Thus, 10.67 can be written and added or subtracted in one motion. Other examples:

6 7.4 0 Written with
three keys—IN ONE MOTION!

3 5.05 *Written with
three keys—IN ONE MOTION!*

1 4.03 *Written with
three keys—IN ONE MOTION!*

7 8.80 Written with
three keys—**IN ONE MOTION!**

105.06 *Written with
three keys—IN ONE MOTION!*

1 6.70 *Written with
three keys—IN ONE MOTION!*

6 7.99 Written with
four keys—**IN ONE MOTION!**

Speed . . . with fewer motions

Burroughs short-cut keyboard permits the operator to add or subtract an entire amount, or take a total, with a single motion of the hand. Also, there are no ciphers to write—ciphers print automatically. These and many other time and labor saving advantages of the short-cut keyboard are described and illustrated in a new, interesting booklet. For your copy, telephone the local Burroughs office or write direct.

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ADDING, ACCOUNTING, BILLING AND CALCULATING MACHINES
CASH REGISTERS • TYPEWRITERS • POSTURE CHAIRS • SUPPLIES

tion. This is the ultimate end of all "national-planning-price-fixing-production-control" policies.

The two major "emergency" measures introducing these policies were the National Industrial Recovery Act and the Emergency Agricultural Relief Act, of 1933.

After the publicly-financed ballyhoo to emphasize the patriotic duty of all citizens to accept the new despotism had subsided, a number of suits were brought in the federal courts to test the constitutionality of the NIRA. On May 27, 1935, the Act was declared unconstitutional, in a unanimous decision, on the ground that it invaded the reserved rights of the states in seeking to regulate intrastate commerce.

A judicial landmark

THE decision is comparable to a victorious battle fought for independence; to a Concord or a Yorktown, to a Thermopylae or a Marne. The Justices well knew the critical posture of the Court: if it upheld the constitutionality of the National Industrial Recovery Act it would confirm the powers of Congress as now boundless, and thus destroy its own most vital judicial functions. If it declared this usurpation of power unconstitutional, every federal bureaucrat whom the Act clothed with authority would seek to limit the power of the Court in the future, through new judiciary legislation.

As to the Emergency Agricultural Relief Act, and its amendments, including the Agricultural Adjustment Administration, designed to control the planting of crops from Washington, with the particular object of limiting and destroying them to induce an artificial scarcity and higher prices for our own food, it was, in effect, declared unconstitutional in the Recovery Act decision.

Nevertheless its control of crops, beginning with cotton and tobacco, has gone progressively on as the land withheld from cotton and tobacco growing was used for peanuts, potatoes and other products, causing an oversupply to depress prices in those fields.

The most fantastic extension of the crop-scarcity policy is found in the new potato control provisions of

the Agricultural Adjustment Administration Act. Here coercion, with penalties, first appears.

The Supreme Court had hardly handed down its decisions in the National Recovery Act case, before Congress passed two acts, plainly ignoring the decision. One is the so-called Guffey soft coal law, creating a National Bituminous Coal Commission and a Bituminous Labor Board with the object of forcing all soft coal mine-owners under bureaucratic control, permitting them to fix monopolistic prices and compelling them to share with the 450,000 soft coal miners, in wages, the profits extracted in higher prices from the consumer. This is to be accomplished through levying a tax of 15 cents a ton on all coal at the mine, 90 per cent of which will be returned if the owner will sign the coal code which the Commission will draft. Here is the familiar discredited device of using the taxing power to reach objects outside the constitutional grants. Of course it must lead on to the control of substitute and competing fuels, if held constitutional.

The other measure creates a National Labor Relations Board, with 21 regional boards, to enforce col-

lective bargaining as a "National Policy" throughout the United States.

Another extension of federal power into new fields is that placing the great utility industry under the Securities and Exchange Commission with power not only to regulate, but actually to dissolve and destroy some of the holding companies. This accords with the President's policy for universal tax-supported publicly-owned-and-operated power plants, undertaken on a \$100,000,000 scale by the Tennessee Valley Authority, which will sell power generated at Muscle Shoals in competition with privately-owned plants in Alabama, Tennessee and elsewhere.

Having the grain exchanges under complete bureaucratic control, this Administration decided to extend its control to the stock exchanges of the country in a law creating the Securities and Exchange Commission. Incidentally this Commission has power to permit or refuse the raising of capital, through the issuance of securities, which is indispensable to finance the country's commercial and industrial development and upon which full employment of the people vitally depends.

In the newly-created Federal Communication Commission, communication by wire and radio is coming in for the blight which has fallen upon the railroads, accompanied also probably by censorship.

Of like destructive effect on economic progress is this Administration's new policy of a graduated tax on the earnings of corporations, in place of the former flat rate for all. Those who live on dividends from corporate stocks will feel the pinch of this policy in constantly lessening income. It will necessarily discourage the purchase of corporate securities issued to raise needed new capital.

Banking and politics

THE Administration's old-age pensions law introduces into this country for the first time the doctrine that the Government owes each person a living, while trade and industry are further burdened in a law requiring compulsory contributions to universal unemployment insurance.

The changes made in the Federal Reserve Act by the last Congress, shifting con-

Coming in January

★ ★ ★

What the Constitution Means to the Man in the Street

By John W. Davis

Wanted: Business Statesmanship

By Harper Sibley

BUSINESS today finds itself in a changed setting. New problems are not solved by old methods. The "Share the Wealth" clamor must be answered.

How Write Off Body and Brain Obsolescence

By Thomas Watters, Jr.

ACCOUNTING practices and tax laws recognize that machinery deteriorates but ignore the fact that the men who run the machines also wear out. Some changes are indicated.

A Fifty Year Fight for Markets

NO industry, no material, ever is certain of its future. Here's what happened to a great industry.



The Deeper Joy of Christmas

CHRISTMAS—the season of good cheer, happiness, contentment. Families together—bright lights and gay music—homes filled with merriment and confidence.

Every father would like to feel that his family will always have such holidays—even though he might not be with them in years to come.

The true joy of Christmas is the joy of assurance—a sense of security in the future. You can make Christmas a time for rejoicing in future financial protection, as well as a gay celebration.

You can give your family the lasting joy of security and comfort through a Life Insurance Program, and find a deeper meaning in the word "happiness."

A Field-Man will gladly explain how you can protect your family's future and at the same time build a Retirement Income for yourself.



Call him now, in time for the merriest Christmas you have ever known. Telephone your local Metropolitan office—or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

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Without any obligation on my part, please tell me how I can protect my family and at the same time build a Retirement Income for myself.

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METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

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trol of credit from the country's bankers to a political board appointed by the President, may be comforting to an Administration that is spending billions beyond its revenues and is operating largely on borrowing, but they can give little satisfaction to the banks already loaded up with government promises to pay.

As one contemplates the mass of new legislation rushed through Congress without debate by the Executive Department with the object of drawing power to Washington over every conceivable activity of the people, he cannot fail to detect a studied arrogance and a hostile purpose running through the whole of it. Although the subjects dealt with are the peaceful and industrious pursuits of the people, this legislation reflects the spirit of a criminal code. This observable hostility, of course, arises from opposition which so drastic a system of regimentation could not fail to provoke among free men. Power, however illegally acquired, everywhere expects and receives homage; when it is opposed it feels a sense of injury and retorts with vengeance.

But the menacing policies of this Administration are not confined to the regulation and control of all trade, industry, agriculture, mining, communication and finance. They have a two-fold aspect. They contemplate also the regulation, direction and support from Washington of all the social aspects of American life, including health, maternity and child welfare, the care of cripples, the homeless and the aged, the debtor and the sufferers from drought, wind, flood or earthquake; in fact, everything and more than would be comprehended in the term "social welfare." On top of all this, the Administration promises "social security" to all. Providence itself could promise no more.

The President disclosed this second phase of his all-embracing design in his press conference on May 31, 1935, when he complained about the Supreme Court decision in the National Industrial Recovery Act case. He indicated that he wished the same "general control over national economic problems and national social problems" possessed by all other national governments. The President seemed wholly indifferent to the fact that ours is not a national government, but a federal government with only limited national powers; that the Constitution designedly left the powers over social welfare with the respective states as a means of preventing the rise in Washington of a centralized despotism, which practically all national governments on earth actually are.

The "sovereign and independent

states" which emerged from the bloody ordeal of the Revolution, met through delegates in May, 1787, and formed a federal Government to which they gave none whatever of their sovereign power over social welfare. On the contrary, they reserved it to themselves as fully as they reserved their power over intrastate commerce and other domestic concerns.

This power over social welfare, termed the "police power," as every lawyer knows, is one each state may invoke to justify legislation for the promotion of fundamental objects of the social-well-being such as health, safety and morals, and for even less fundamental objects, such as economic interests, comfort and convenience; but in every case the courts have the final say as to whether it has been reasonably exercised. The Federal Government possesses no general police power, and the Supreme Court has so declared in many decisions.

Expenses will be hard to cut

THE Federal Government's excursion into this field is particularly ominous in that it means great spending and an ever enlarging number of job-holders, with the taxpayer in the most difficult position to combat it because of the large emotional appeal which can be capitalized as a plausible justification. The objects are "mothers," "cripples," "the children," "the aged," to whom the hearts of all go out. But the taxpayers' money goes mainly to job-holders, and particularly to that new and powerful class which has just risen among us, the social workers.

Social uplifting has become a dignified and remunerative calling, comparable to that of bank clerk or bond salesman in past decades. The workers are organized and, even before this Administration came into power, had become dominant in spending our community funds. Today practically all of them are on the federal pay roll. They are now political-minded and will play a larger part henceforth in state and national policies of taxation and spending.

While the Federal Government has made many appropriations for local "relief," the first permanent invasion of the welfare field was in the creation of the Children's Bureau in the Labor Department in 1912 with an appropriation of \$21,936. Its declared objects were to gather statistics on infant mortality and child welfare. By 1921 it was seeking to control all state agencies engaged in maternity and child welfare work, with an appropriation of \$1,240,000 with which to persuade states to place themselves under its direction. These appropria-

tions lapsed in 1927, but the Congress just adjourned has set aside \$3,800,000 to renew these activities.

There was no popular demand for the creation of a federal Children's Bureau. All of the states have public and private agencies that are effectively caring for children whose families cannot do so. Its creation was the result of seven years of propaganda and lobbying by one extraordinary woman, Mrs. Florence Kelley Wischnewsky. Mrs. Kelley, as she was known in later life, was a Marxian socialist and a friend and translator of the works of Frederick Engels with whom she had been associated in Germany, and from whom she received over a period of years letters of instruction as how best to introduce socialism among our people. In one letter, dated January 27, 1887, Engels wrote to her:

The less it (Socialism) is knocked into the Americans from without and the more they test it . . . by their experience, the deeper it will sink into their flesh and blood.

In 1924 Mrs. Kelley, with the backing of the Children's Bureau lobby representing organizations which she had either formed or dominated, induced Congress to submit to the states a constitutional amendment which would give to the bureau the same power to regulate and control the youth of America which Soviet Russia is exercising under its Commissar of Social Welfare. This amendment, drafted largely by Mrs. Kelley herself, as the Senate hearings disclose, reads as follows:

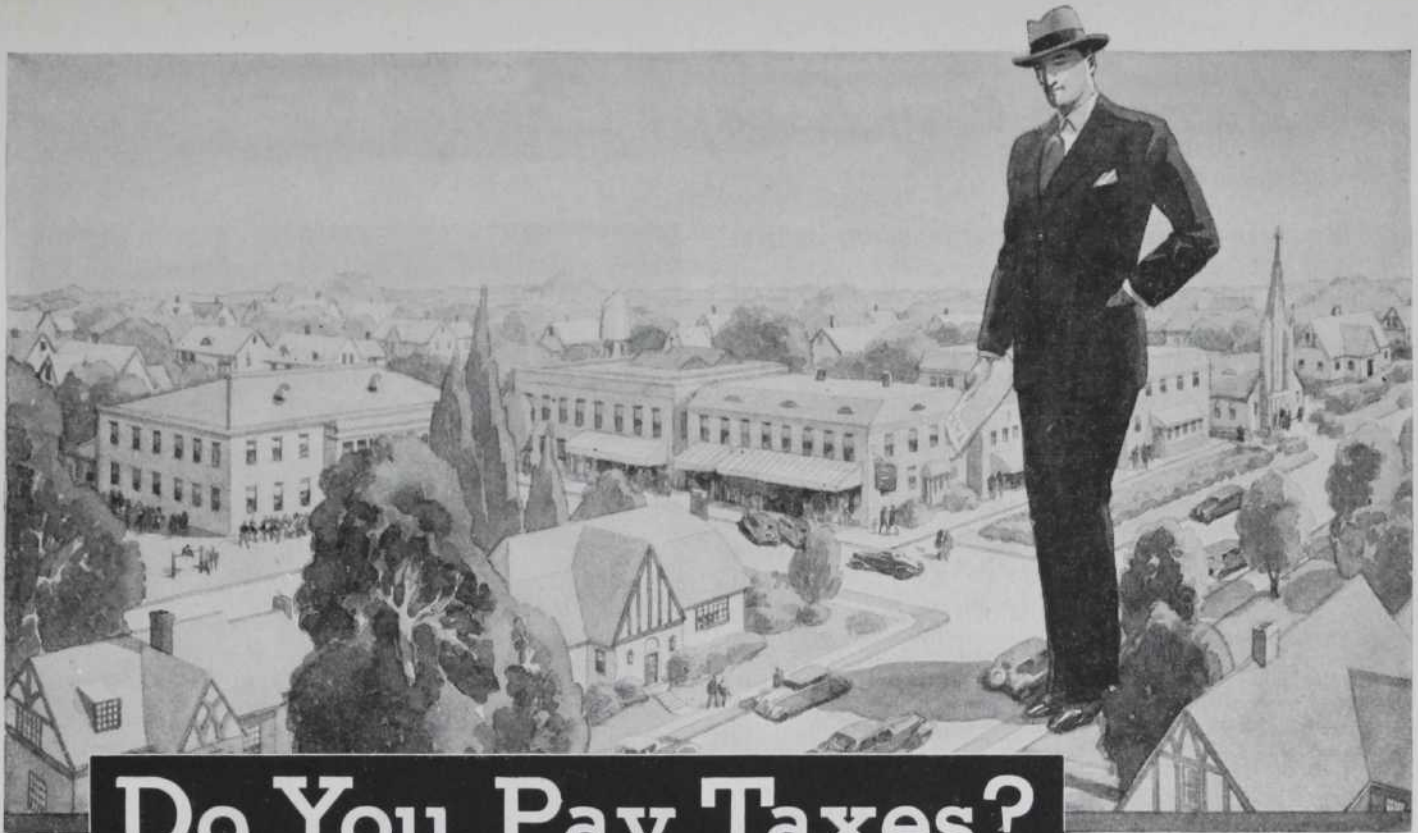
The Congress shall have power to limit, regulate and prohibit the labor of persons under 18 years of age.

Work at home included

MRS. KELLEY and her lobby would not consent to substitute the word "employment," which means paid work, for the word "labor," in the amendment, as they admitted they desired to control all work, paid and unpaid, in the home and on the farm.

This amendment, cleverly but falsely labeled the "Child Labor Amendment," was decisively rejected by 38 of the 48 State legislatures in less than three years after it was proposed. It was supposed to be dead, but in 1933, organized lobbies, with the backing of this Administration, appeared before legislative sessions in 24 states and obtained 14 ratifications. They obtained none in 1934, when 13 States withstood direct pressure from Washington and rejected it. In 1935, while four State legislatures ratified, 20 rejected it. Thus far 24 States have ratified, while 36 are

(Continued on page 70)



Do You Pay Taxes?

As you look at your community, are you disturbed by the thought that you may be carrying *more than your share* of the burden? Then you'll take a personal interest in the method that lightens the load on the individual while greatly increasing total revenues.

● Is your city or town, your county or state, half starved for money to provide adequate police and fire protection?

Is it denied the means to improve its schools and playgrounds, its streets, parks and highways?

And is it suffering these hardships to no small extent because its officials have not been provided with speedy mechanical facilities for accurately recording the essential data . . . and for promptly billing and vigorously collecting money due?

Don't think because you pay your taxes in full and on time that a multitude of needless errors and delinquencies are of little or no concern to you.

The less *others* pay, the more *you* have to pay!

Any system, therefore, which will minimize errors, lower collection costs, *bring in more money and bring it in more quickly* is of vital importance to everyone who contributes to the cost of government. Such a system is the *Addressograph Tax Accounting Method* . . . a proved success in hundreds of communities.

How Newark Set an All-Time Record in Tax Collections

Consider the City of Newark, as one of the brilliant examples of what the Addressograph Method can do to help replenish treasuries and lighten the burden on the individual.

"In 1934" . . . we quote from the New York Times . . . "Newark collected \$31,711,000 in taxes, the largest amount ever collected in a single year in that city.

Collections of \$10,772,232 in delinquent taxes also set a new record."

"The methods employed in getting the money should be interesting to every tax official . . . every taxpayer. A published Newark report says: "Time-consuming routine tasks of endlessly copying and comparing longhand records have been eliminated. *More compact*, more *legible* records than were possible formerly, are now written much more *speedily* and with far *greater accuracy* * * * Bills are now computed, printed and accurately balanced by machine * * * Employees have been assigned to the more important jobs of *improving* assessment methods and carrying on a *continuous* billing and tax collection campaign."

Where the old method required the copying, checking and balancing of 495,000 separate items by hand . . . plus filling in 165,000 bills . . . the modernized Addressograph method completely and accurately lists property descriptions and names and addresses from fire-proof, error-proof records, at the rate of 1600 an hour. The billing is done on an automatic Addressograph at the rate of 2500 per hour.

Prompt, accurate and frequent billing of both current and delinquent taxes . . . plus a series of individualized collection letters produced on Dupligraph machines . . . were largely responsible for materially improving collections and the city's credit.

Just as Addressograph saves money for taxpayers, so it speeds up work and saves money for businesses of every kind and size.

How You Can Help Lighten Taxes

Does it mean something to you to live in a community that honors its obligations promptly . . . pays its teachers, policemen, firemen, on time and in full . . . saves every possible dollar in the assessing and collecting of taxes and thus makes available more money for essential services?

Thousands of public officials are sincerely striving toward these very goals. And you can perform a real service by bringing this message to the attention of those officials in your community who have the power to act in your behalf.

Suggest to them that they find out how the Addressograph method is saving money not only for the taxpayers of Newark, but for those of Chicago, Detroit, Milwaukee, Cleveland, and many smaller towns and counties as well as large cities . . . *how it is everywhere giving the taxpayer more for his money!*

All this information may be readily obtained from the nearest Addressograph representative. Consult principal city telephone books, or write us for convincing facts.

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An improved glass building block is now offered for structures requiring maximum natural light. It's said to have high insulating value, to be non-sweating. Amount of light transmission can be governed through the style of face cutting. . . .

Sunny rooms can be kept cooler with a recently developed plate glass which absorbs the heat from the sun's rays. . . .

Spring hinges open a new steel casement window automatically when a chain adjusting device is released. Its hinged screen is interchangeable with a hinged inner sash. . . .

A new surface wiring system consists of a flat-rubber raceway, which is cemented to the wall, and duplex outlets which can be attached at any point that convenience demands. . . .

A new light bulb, usable in any socket, gives both Vitamin D producing ultra-violet rays and a correct reading or working light. Its special glass is said to filter out harmful rays, allowing unlimited exposure without sunburn or other ill effects. . . .

Illuminated religious symbols and other designs are incorporated in another new electric lamp. It operates without a filament, gives a cool, mellow light. . . .

An electric vibrating device, replacing the conventional crank, keeps corn hopping while popping in a new electric popper. . . .

A new electric alarm clock has an illuminated dial, can be set to ring automatically each morning. So set, a flip of the shut-off knob silences it until getting-up time tomorrow. . . .

Highly absorbent spun rayon is now being interwoven with cotton into dish, bath and hand towels, wash cloths and bath mats. The towels are said to dry without rubbing or friction. . . .

Brush of a new carpet sweeper is near the front (for close-to-wall sweeping), rotates continuously in one direction. Hence it has but one dust pan, removable from the top. . . .

Proud baby carriage pushers no longer need take the corners on two wheels. A new carriage has a steering device on the handle by which the front wheels can be turned. . . .

Space in rear decks of coupes is fully utilized, loading and unloading facilitated by a new sliding tray arrangement. Luggage, piled on the tray, is carried to the front of the deck by a few turns of a crank, leaving clear space at the rear. . . .

Protection against both glaring lights and sun is given by a new inside windshield visor. It has two transparent sections, one light green for night use, the other dark green for day. . . .

A new primer for auto refinishing acts both as a filler and to form an adhesive bond between the surface and the finish. Four hours after applying it can be dry sanded, it is said. . . .

Filling stations are offered a new air-operated jack which facilitates car lubrication. Used in conjunction with a drive-on lift or pit, it lifts weight of the body off the springs, permits thorough lubrication without pinch bar prying. . . .

In a new self-centering screw the usual slot is replaced by a tapered X-shaped recess which exactly fits a tapered driver. The screw fixes onto the point of the latter, for one-hand driving, eliminates driver slips, requires no pilot hole. . . .

Simple, compact, a new packless expansion joint is offered for high-pressure service. The bellows-like expansion element, formed from stainless steel, is mounted on a movable sleeve and enclosed in a steel case. . . .



Masks of transparent sheeting are now offered for operating-room wear. They're said to permit clear voice transmission, prevent steaming of glasses, to be easily sterilized, comfortable

Greater ruggedness and accuracy are claimed for a new automatic compensating hygrometer for determining saline concentrations in boiler feed water, etc. The stem is of non-corrodible polished metal instead of glass. . . .

A new "invisible glass" for display windows eliminates reflections, distortions. A slight inward curve reflects light rays into black velvet baffles which absorb them. . . .

A new sign, for counter or display windows, provides three-dimensional letters or designs which pick up natural or artificial light and reflect it with neon-like brilliance and effect. . . .

Screen and towel box are no longer necessary accessories to the office wash-basin. A new steel cabinet, open at the back, completely conceals the basin, affords easy access, storage space, mirror. . . .

A ventilated aluminum awning of the venetian-blind type is now on the market. It is said to be impervious to weather, only the operating and tilting cord requiring replacement. . . .

Electric soil heating for the hot-beds of small growers and "hobby" gardeners is provided through a new wiring assembly. It plugs in any outlet, can be set to maintain any temperature from 30° to 100° by twist of a knob. . . .

Electrotypers are offered a new molding material consisting of aluminum sheet, a layer of wax and a graphite coating. It's said to give sharper, more accurate reproductions. . . .

A simplified and speedier method of producing three-color photographs on paper has been devised in which new chemical toners and paper-backed stripping film are used. . . .

Portable, weighing but 12 pounds, a new egg grader automatically weighs eggs and separates them into any four grades desired. It's said to grade three to five cases an hour. . . .

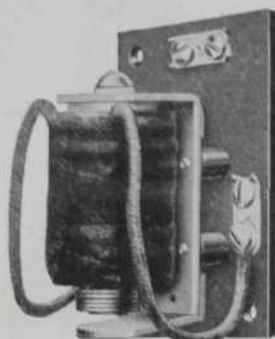
Postage pennies are saved by a new vest-pocket scale for letters, etc., which resembles a fountain pen and has a weighing capacity of one-half pound. . . .

—PAUL H. HAYWARD

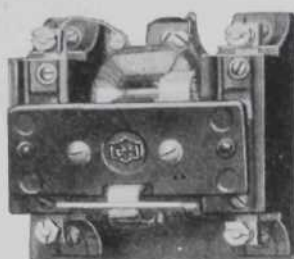
EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

MODERN MACHINES ARE AUTOMATIC

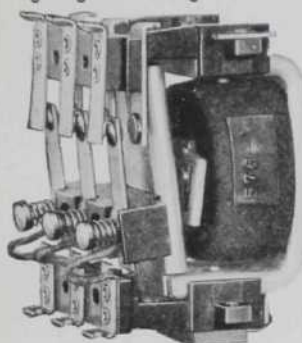
Relays of All Types . . . Time Proven Save Time and Costs in Designing Electrical Machines for Today's Needs



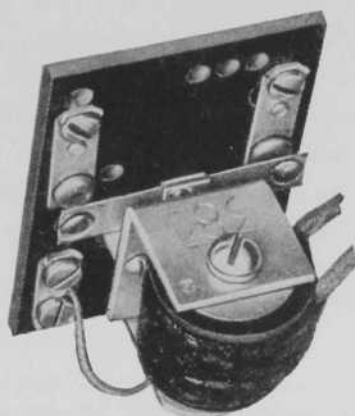
Above: A C-H Standard Single Pole Relay designed for low-coil wattage. Used today on many machines for its sensitivity.



At right: A C-H Standard Two-Pole Heavy Duty Relay used for controlling motor, lighting or heating loads.



Below: A Standard C-H Relay developed originally for extreme sensitivity and secure against vibration. Used on an ever increasing number of machines with electronic tube control.

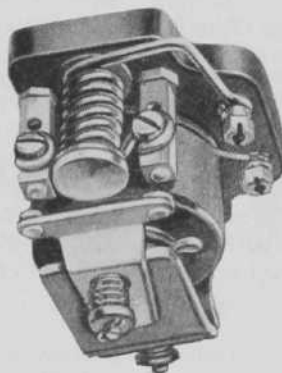


Above: A C-H Standard Three-Pole Double Throw Relay used on a large number of devices as a transfer switch. Such a relay, at the touch of a button or at the closing of an inbuilt contact provides, for instance, automatic reversal.

A VALUABLE HOW-TO-DO BOOK

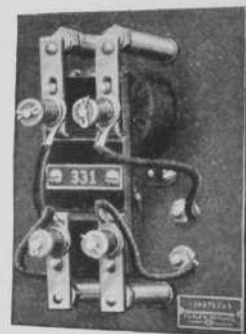


Every machine designer or executive interested in the possibilities of automatic control should read this interesting and valuable booklet—a how-to-do-it book that may save any manufacturer thousands of dollars in needless development. Write for your copy today.



At left: A Standard General Purpose C-H Relay developed for D. C. and A. C. service. Used today on scores of small D. C. Motor applications.

At right: A Standard C-H Relay widely used in pilot control circuits, as a transfer switch, etc.



CUTLER-HAMMER MOTOR CONTROL

STARTS ★ STOPS



REGULATES ★ PROTECTS



THE FINANCIAL POST

Premier Aberhart combined prayers and politics

Mad Money Sweeps Alberta

By

FLOYD S. CHALMERS

Editor.

"The Financial Post," Toronto, Canada

A HERETICAL idea and a fanatical zeal in gospellizing it have aroused the emotions of large masses of people more than once in history.

So it was in Canada's foothills province of Alberta a few weeks ago when 54 per cent of the voters—most of them farmers or ranchers—gave William Aberhart 56 out of 63 seats in the legislature and, with them, a mandate to set up a system of Social Credit.

Social Credit is a monetary heresy. Its preachers borrow evangelical techniques in winning popular support for it. Sober economists dismiss it as another soap bubble that has floated down from the fairylands of finance. But throughout the world it has large bands of faithful followers, including such assorted backers as British bishops and editors, Canadian financial writers, Australian politicians, New Zealand ranchers and even a few United States business men.

It was Premier William Aberhart whose Social Credit trumpet brought down the walls of old line politics in Alberta to enable his group of Simon-pure amateur politicians to capture the citadels of office. He is by vocation a school teacher but by avocation a radio evangelist, a sort of Baptist Father Coughlin of the foothills. A towering giant in voice and muscle, he combined prayers and politics, hymns and hypnotism to shatter economic orthodoxy.

Times were with him. The old farmers' government was doomed to defeat anyway; other major parties presented no strong front. Putting Aberhart in was almost the only way to put the old government out.

But, primarily, victory was won largely upon the appeal of money for everybody. Aberhart offered every

EVERY person in the province of Alberta, Canada, is promised \$25 a month under a system of Social Credit proposed by a new administration. The fact that such a platform can lead to victory at the polls, defeating established political machines, holds an important lesson for the people of this country

adult a "Basic Dividend" of \$25 a month. Sagacious elders may have looked past this promise to another plank, an "Unearned Increment Levy" to raise the money—the unearned increment levy being nothing more or less than a turn-over tax. But farmers and their wives, crisis-weary, plumped for their \$25 a month.

And so Alberta people are now looking forward eagerly to sharing in their own "Cultural Heritage" and using their Social Credit dividends to buy their needs at the "Just Price" fixed by the province.

These four phrases, the "Cultural Heritage," the "Basic Dividend," the "Unearned Increment" and the "Just Price" were the abracadabra of Mr. Aberhart's necromancy.

That such economic fantasia should have had a strong lure to Alberta people is something for business men of any part of Anglo-Saxon North America to ponder over. For Alberta people are just ordinary folk, beset by problems common to most of the continent; low prices, un-



Turbines checked by Hartford inspectors are valued in the millions

LIKE a giant sword of Damocles, the threat of disastrous accident hangs over every power plant. To lessen the threat — to hang the sword by a chain — most businesses insure! Virtually half of the insured companies, large and small, in the great cities and remotest regions—choose Hartford Steam Boiler!

This company is in business to protect business. It insures against loss from explosions or breakdowns to boilers, engines, turbines, refrigerating apparatus — pays promptly when such disasters occur. But Hartford's great interest is to *reduce* accidents, to make safety actually *first* in every Hartford-protected plant.

Vigilance is the Hartford method, hundreds of field-inspectors the means. Probing, peering, trouble-shooting with the skill of men trained to do one job well, Hartford Steam Boiler inspectors yearly uncover thousands of hidden defects which, undetected, might have led to high loss. Because the inspectors know what to look for, because a home engineering staff continually keeps them abreast of the latest engineering practice, equipment so guarded is **SAFEGUARDED**.

Let your agent or broker explain, in ten minutes, how Hartford foresight can help keep engines and turbines running and boilers fired.



Of all the premiums paid for boiler and machinery insurance in the United States, about half are paid to obtain policies bearing this familiar seal, hall-mark of the largest purely engineering insurance company in the country. 90% of all power boilers built for America's industrial plants bear this other imprint, the Hartford Steam Boiler stamp of approval.

THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY
HARTFORD, CONNECTICUT

A STATEMENT BY

GENERAL MOTORS is presenting its 1936 offerings. The new cars are now on display by General Motors dealers everywhere.

As you view the new models, you will see that progress by evolution has been continued. Nothing especially revolutionary or radical is being offered—our effort has been toward more safety, improved mechanisms, greater eye appeal—all with increased economy of operation and maintenance.

These advances are the result of another year's work by the General Motors engineering staffs. I believe you will like our cars for 1936.

This year the time of announcing new models has been advanced in the hope that there will result more uniform retail sales. Such sales are highly seasonal. For instance, normally 12% of the cars are retailed during the month of April, as against 3% during the month of December. Production, therefore, is necessarily irregular.

The annual income of the worker is adversely affected by this irregularity—important, not only to the worker, but to the national economy as well. And this affects everybody. Any improvement will affect favorably the workers of many other industries. This is progress.

General Motors recognizes its responsibility in this connection. It not only heartily supports the program, but in addition has set aside \$60,000,000 as a stabilization fund. The objective is further to equalize employment through the accumulation of inventory by maintaining the manufacture of com-

ponent parts during the winter when industrial employment is sub-normal and outside employment largely eliminated.

General Motors asks your support toward this most worthy objective. In fact, the extent to which that objective is attained, depends upon your co-operation. So if you are thinking of a new car for 1936—buy now. There is no adequate reason why that car should not be purchased now. It is the same car, now or later.

***T**here is another problem of public importance in which General Motors recognizes a primary as well as a secondary responsibility—SAFETY. This problem involves not only the car, but the highway; and still more importantly, the driver and the pedestrian.*

Let us first consider the car—a primary responsibility. Safety involves construction as well as maintenance.

The "turret top" will be a part of all General Motors cars in 1936. This consists of a solid steel structure, with the supporting members integral with the top and with the main structure of the body itself. Adequate strength is provided to insure safety even in the event of unusual accidents. This has been amply demonstrated by experience.

"Knee-action," or independent springing, while looked upon only as providing a "better ride" is in reality also an added safety device. Each wheel absorbs its own shocks—important in case of accidents or bursting of a tire.

And Fisher no-draft ventilation likewise provides not only comfort, but safety as well.

GENERAL MOTORS

Many consider that safety and power are antagonistic. This is not necessarily so. Ample power, intelligently used, may well promote safety. Far less power, unintelligently used, may be hazardous.

The motor car of today, notwithstanding the fact that power has been notably increased, can be controlled more effectively than the car of yesterday. Here arises the importance of roadability, as well as of adequate and reliable braking.

To the particular safety features mentioned might be added, if we look backward a moment, the electric starter, four-wheel brakes and similar advancements which General Motors first adopted as a quantity producer. Thus we see demonstrated that in General Motors engineering down through the years prime consideration has been given to safety. And others have made important contributions as well.

The motor car itself, however, is only a part of our problem. Much progress has been made in advancing the safety of the highway construction-wise, in line with continually increasing traffic congestion. Acknowledgment is due those also who have contributed in the way of enforcement and better traffic planning. But, still more adequate highways are essential if we are to utilize to the utmost

this young and virile instrument of transportation, the modern car.

Now, as to the driver and the pedestrian. General Motors believes this to be a problem not only of education but of *continuous* education.

In that belief it pledges cooperation with all agencies whose duties or energies are directed toward highway safety. It proposes to make a tangible contribution by organizing, in a definite and aggressive way, to instill "Safety First" into the minds of those who purchase its products; to cooperate with all enforcement authorities, with respect to the problems of traffic control; to cooperate in devising ways and means of insuring safety maintenance; to promote new and better plans of regulation; to impress the importance of the problem upon our youth, and to cooperate in other ways, directly or indirectly, that offer promise of reducing the increasing highway toll that is being levied upon the community.

General Motors is grateful for the endorsement of its 1935 products, which has made possible a world production of more than 1,500,000 vehicles during the year. The contribution thus made in an important aggregate of employment has accelerated the normal processes of industrial recovery. We shall strive to make a still more important contribution in the year ahead.



PRESIDENT

balanced budgets, rising taxes, the hard struggle for security.

Utopia-promising politicians are no novelty in Alberta. Alberta is a new land and new lands attract political cranks. The post-war agrarian movement reached the zenith of its political power in Alberta. Here the wheat pools were born under a sunny sky and an evil star. From here the wildest radicals have always come to Canada's Parliament.

A new type of "progressive"

BUT Aberhart is of a new breed of progressives. His methods are different. He attacks the old system but not individuals. He promises not only to distribute wealth to the "have-not's" but to protect the "have's" in what they own. There is a spirit of brotherly love in his speeches.

A man seized of one simple, basic idea, he was able to multiply the force of that idea by a persuasive eloquence that was less demagogic than religious. In the manner of an economic Billy Sunday, he aroused a mass tide of human emotion to the belief that poverty could be ended in 18 months—and for all time. It was depression-protest gone camp-meeting.

To understand Aberhart's simple solvent for poverty we must look at Social Credit itself.

Social Credit started in the trenches. There Maj. C. H. Douglas, a Scot and an engineer, pondered. He recalled that, when he was a salesman before the war, he lost many big contracts. Often, when there was a big constructive job to be done, there was no money, no credit, to finance it.

Yet when the world had a mighty job of destruction on its hands, when there were raw materials to be wasted, lands to be devastated and men to be killed, the money barrier melted away. War-makers got money as well as nitrogen out of the air.

If wars could be financed why couldn't constructive jobs be as easily financed? Douglas asked.

He considered, too, the paradox now so familiarly known as Poverty Amidst Plenty. What was wrong with our money, that it facilitated just so much exchange of goods and no more, and did not permit everyone to share generously in Nature's bounty and man's scientific handiwork?

He found an explanation that satisfied him. The war over, he elaborated it in a little book, "Economic Democracy."

He argued that there is, under our present monetary system, a continuous and permanent deficiency of purchasing power; that in the production of goods, not enough purchasing power is liberated to enable those goods to be bought.

In brief, wages and other payments going into the stream of purchasing power do not equal the values created. In the production of \$100 of goods, only \$75 might be paid out in wages, divi-

dends, etc. The balance, spent for raw materials, bank charges, and other "external costs," never gets into the stream of purchasing power. So there is only \$75 worth of money to buy \$100 worth of goods.

If the system is wrong and has always been wrong how have we kept going in the past? By letting bankers create credit, says Douglas. They do it by writing figures in a book. But every once in a while, the figures are written out of the book. Then there is deflation, depression, unemployment, poverty and painful adjustment. Douglas says our money system really has never worked. He offers the present depression as proof.

He wants the job of creating credit—of printing the money tickets—to be done by governments, not by banks. He wants a balance to be struck between the value of production and the number of tickets put into circulation. The present system does put a certain number of tickets in circulation. Wages, dividends, etc. are translated into currency, bank deposits and other forms of money, available as purchasing power. But not enough credit is issued. Douglas wants the Government to make up the difference, to create credit to finance consumption.

Here Social Credit becomes a little hazy. Douglas changes his mind from time to time as to how the money tickets would be put into circulation. But there is provision for paying a "National Dividend" to everyone. There is a realization that such credit expansion might cause prices to rise. So there is provision for fixing a "Just Price" for everything. And to get present stocks of goods into immediate use he wants everything priced down by, say, 25 per cent overnight. Factories and merchants who control these inventories would be compensated by receiving an extra supply of the new money tickets.

So through two channels, the National Dividends to everybody and the extra payments to vendors, enough additional money tickets would be injected into the buying power of the nation to make up the "deficiency" in buying power which Douglas thinks he sees.

In reality Douglas's plan is far from concrete and detailed. He has avoided giving his critics something to take hold of. He talks in safe generalities, always harping on the major theme that our productive mechanism has made universal wealth possible while our financial system throttles the creation and distribution of wealth and dooms the major portion of mankind to permanent poverty.

Universal bonus

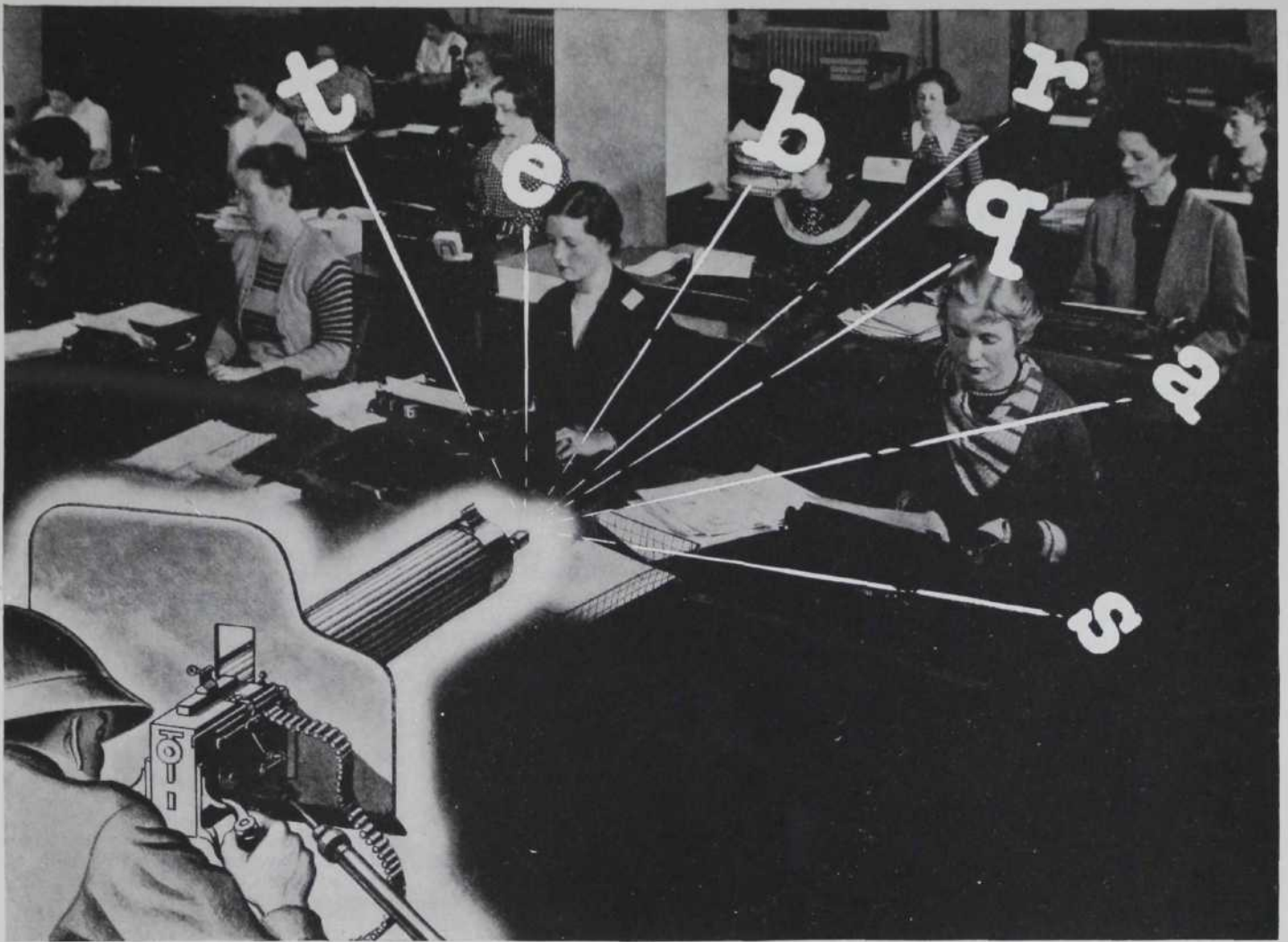
POLITICALLY-WISE observers will also see what Social Credit amounts to. It is a highly ornamented plan for handing out printing press money, a gigantic soldiers' bonus for all the veterans of the Great Depression.

This plan which was presented at length to the somewhat dumbstruck MacMillan Committee in England and rejected by them, as by the Labour Party—which wants outright Socialism and not merely printing-press Capital—

(Continued on page 56)



Maj. C. H. Douglas, former engineer, discovered Social Credit in the war



Office Enemy No. 1

... and how to eliminate him!

All day long he sprays the office with the sound of letters being typed, the banging of machines, the clanging of bells. His daily toll—the total cost of noise—is terrific. 20 per cent in staff energy. 30 per cent in executive efficiency. Uncounted errors.

Cut that cost with the new Silent L C Smith typewriter. You don't sacrifice a single advantage of the standard typewriter. It's *standard* in design. It's *Silent* in operation. Hence: Starts silent. *Stays* silent. Ask for a trial of this revolutionary typewriter.

L C SMITH & CORONA TYPEWRITERS INC SYRACUSE NEW YORK
ALSO MANUFACTURERS OF CORONA SILENT PORTABLE TYPEWRITERS FOR HOME USE

SILENCE *without* SACRIFICE



THE *Silent*
L C SMITH

New Ideas in Selling

Facts and comments on goings-on in the varied fields of dis- tribution and selling

Ice cream mix: Cold looks and warm words are passing on the ice cream front these days as commercial ice cream manufacturers and the counter-freezer makers, who are sponsoring a relatively new mode of ice-cream production, fight for dealer outlets.

Counter-freezers, as the name implies, are freezers by which individual dealers can make ice cream at their own counters in full view of customers, using a prepared "mix" which is usually supplied by local dairies. According to the recently organized National Association of Counter Freezer Manufacturers some 5,000 such freezers are now in operation.

Their introduction marks a rather interesting cycle in the industry, for originally, as many can recall, every dealer made his own ice cream in his own back rooms. A number of large dealers continue to do so, but the bulk of production soon passed to central manufacturing plants where economies of mass production could be realized. Advances in mechanical refrigeration, however, have made possible the compact, comparatively cheap equipment which is again permitting smaller dealers to be their own manufacturer if they so desire.

Obviously, however, the larger the number of dealers who make their own ice cream, the smaller the market of the commercial ice-cream manufacturers and the greater the threat to the latter's investment in plant and equipment. Hence the battle between the two, the bombardment of dealers with pamphlets and propaganda, and vigorous action before state and municipal authorities for the enactment of sanitary legislation and regulations which on the one hand may restrict and on the other permit use of counter freezers.

The sparring culminated recently in a Federal Trade Commission complaint that the International Association of Ice Cream Manufacturers had unfairly obstructed the business of counter freezer operators by various methods, among them the preparation and sponsoring of legislation and local ordinances, in bad faith, ostensibly to establish standards of sanitary regulation for the manufacture of ice cream but really to suppress competition from counter freezers.

So far as the complaint concerned legislative activities it was an unprecedented action on the part of FTC and brought defense arguments that it implied an FTC attempt to censor state and local legislation and activities looking to legislation. The FTC tacitly admitted the strength of this argument when it later struck from its complaint those portions alleging "legislative activities." Petition of counter freezer interests to reinstate these portions of the complaint was denied by the FTC on September 25, an action which resulted in another legal novelty, institution of mandamus proceedings by counter-freezer counsel to force the FTC to

restore the deleted portions of the complaint. These proceedings are still pending as this is written.

Auto radios go to work: Auto radios, developed for the entertainment of motorists, are now being used as a sales aid by commercial motor-truck operators who make a business of hauling live stock from farms to market.

Alert truckers know every marketable lot of cattle, hogs or sheep on every farm in their particular areas. When a bulge comes in the market or prospects look favorable for a market rise they are quick to bid for the farmers' business. Farmers, at work in their fields, can't keep abreast of hour-to-hour market developments, but the commercial trucker, by keeping his auto radio tuned in on stations which make a specialty of livestock reports, can and does.

One Indiana motor trucker has installed radios in all three units of his fleet so that his drivers, like himself, can have spot news to give farmers. And quite often, after the farmer hears the reports, the trucker hears the pleasant echo, "Let's load 'em up."

Auto radios are also finding employment in overland freight trucks, though for another purpose. Fleet owners are reported installing them to keep their night drivers awake and alert.

To journey's end: A tin can travels a long and devious path from the plant of its manufacture to the grocer's shelf. But however long the journey and whatever the tins contain when they reach the grocer, their manufacturer has a vital interest in their continuing on until

they meet the sharp edge of a can opener. So it is that at least one can company is centering much attention on the final retailer-to-consumer hurdle.

Reasoning that, if more canned foods (and hence cans) are sold, the retailer must sell them, the company has pursued an extensive program of retailer education. An early step was a book titled "Selling Facts Worth Knowing About Certain Canned Goods," several hundred thousand copies of which were mailed on request to food dealers.

This publication has now been succeeded by a still more comprehensive one, "Ways to Sell More Canned Foods," in which specific selling suggestions are made for 26 varieties of canned foods, ranging from applesauce to tomato juice. An excerpt supplies an example: "There's a special selling point about canned applesauce that will pay you to pass on to your customers—that is that it is almost impossible to get the same delicious flavor of canned applesauce by making applesauce at home. Why? Because your customer would use only one type of apple . . . whereas canned applesauce is made of several types, a careful blend of distinctly different flavors. . . ."

Odd Lots: F. W. Woolworth Company, which in 1932 extended the price range in its five-and-tens to 15 and 20 cents, is now experimenting with a 40-cent top in some of its units. The move's interpreted as a bid for a bigger share of the variety chains' volume (numerous rivals sell goods up to \$1), but possible danger to the advertising value of its old five-and-ten appeal is also pointed out. . . . A band instrument manufacturer has launched his own youth movement, arranging hook-ups with publishing companies, greeting-card manufacturers and others by which would-be school band members can earn and save money for the purchase of instruments through local music dealers. . . . Strange as it seems, an oil refining company is offering motorists a new booklet titled "15 Ways to Save Gasoline Money." . . . Co-ordinated specifications for the framing, insulation, heating, air-conditioning, lighting and plumbing facilities it supplies, plus supervision of the installation of these facilities and financing, are now offered home builders through a plan one company has worked out.

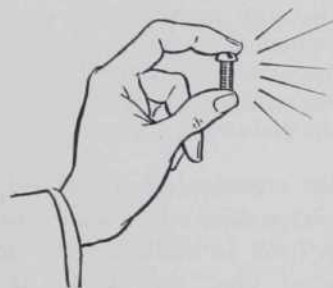
—PAUL H. HAYWARD.



PHOTO BY W. L. HAMMER FOR NATION'S BUSINESS

Mail promotion and truck displays are used by a Washington laundry to personalize its service. Circulars bearing the driver's picture are distributed by routes, and trucks also carry likenesses, titled "Let Me Be Your Washwoman"

one of our
tremendous
trifles*



ANY kind of a retaining screw will hold a washer in place... when new! But give the corrosive action of water sufficient time and most screws will deteriorate and break off.

"That one small part makes itself conspicuous only by the trouble it can cause. The water must be shut off, the plumber called, and a costly job of drilling and tapping done. All of which we avoid by using a retaining screw that *never* rusts or corrodes, one made of Monel Metal.

"We standardized on Monel Metal after we had experimented with many types of washer-retaining screws. *None of them approached Monel Metal in ability to resist corrosion.*"

* * *

From a small part of a bathroom shower valve to the nose and throat

* Thank you, Mr. G. K. Chesterton, for this happy phrase.

liners of the huge valves on Boulder Dam, Monel Metal daily demonstrates its ability to combat rust and withstand the corrosive attacks of water, acid, alkalies, and salts.

This tough, long-lived metal is "standard equipment" in laundries, dyehouses, chemical plants, packing houses, food canneries, power houses and in thousands of factories where rust and corrosion attack ordinary metals.

Since Monel Metal is not an ordinary metal, many business executives have assumed that it is costly, difficult to use, or not suited to their particular processes. The fact is that Monel Metal is out of the ordinary only in the ad-



"You may wonder why we raise a fuss over this bit of metal," says Mr. Willard A. Speakman, President of Speakman Company. "But every time you use a SPEAKMAN shower, or fixture, we are glad the washer retaining screw, in the valve, is made of Monel Metal."

vantages it offers, including its ability to speed production, cut costs, or add to the salability of manufactured goods.

Inco engineers are constantly studying the employment of Monel Metal and developing applications that return handsome profits to its user. It will pay you to get in touch with them and give them a chance to show you how you can employ Monel Metal to your substantial advantage.

THE INTERNATIONAL NICKEL CO., INC.
67 Wall Street New York, N. Y.

monel metal

Monel Metal is a registered trade-mark applied to an alloy containing approximately two-thirds Nickel and one-third copper. Monel Metal is mined, smelted, refined, rolled and marketed solely by International Nickel.

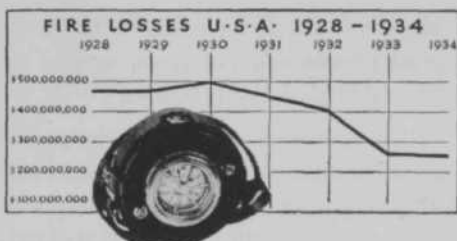
**Don't Let
FIRE
STOP YOU
now!**

THE ANNUAL fire loss in the United States has ranged from a quarter to a half billion dollars per year over the last ten years. The figure goes up in good times, down in bad.

BUT even that figure shows only the loss in physical value. There is no measure of the loss due to lost business and the interruption of the activities of the firm. Because insurance can only protect the tangibles, every business of any size supplements its insurance with watchmen. To make the watchmen efficient it is important that the system that checks their rounds be efficient also.

DETEX Watchclock Systems are chosen for this work far more often than any other type.

ASK Detex to supply information on a thoroughly modern system that will fit your present needs.



DETEX WATCHCLOCK CORPORATION
4153 Ravenswood Ave., Chicago, Ill. 29 Beach St., Boston
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DETEX
WATCHMEN'S CLOCKS
NEWMAN • ECO • ALERT • PATROL

World's Fair Advertising Can Pay

(Continued from page 24)

ing postcards. Visitors stood in line excitedly to take the cards from the quick-moving mechanical hand.

Spectators may be asked to prove a point for themselves. A Westinghouse lecturer showed how electric current could be made to pass invisibly from one aerial to another across the aisle and light an electric lamp. Then, to prove that no wires were used, he had his listeners hold light bulbs in their hands. The human bodies acted as aerials and the bulbs lighted. When hands were joined the lamps burned more brightly. This was real showmanship and excited all sorts of interested questions.

If the exhibit is small or complicated, one of the spectators may be asked to assist the demonstrator. A small boy is a good subject for this, because he usually responds readily and lends humor and human interest to the demonstration. Vaudeville magicians have used this stunt for years. It is always good. Safety-glass manufacturers had the visitor hurl a baseball at a window pane.

7. Make your exhibit appear busy.

People will always go where things are happening — changing lights, moving signs, machinery operating, people working. Therefore get motion in your exhibit by all means. A simple method is to show the manufacture or assembly of your product. Just because you are so close to your business that such operations no longer interest you is no sign that the outsider won't be interested. If properly presented actual manufacture, assembling or packaging may be made of incalculable selling value. Chrysler stamped out souvenir ash trays before the eyes of World's Fair visitors and sold 2,000,000 of them at five cents each the first year. Ipana let visitors watch an assembly line of brightly gowned girls put its toothpaste into tubes, and visitors bought enough tubes at ten cents each to help pay the cost of the show.

8. Lay out your exhibit so that it is flexible enough to be improved as you learn.

At the 1933 session of the Chicago Fair the Chicago & Northwestern exhibited its first locomotive, "Pioneer," against a background painting of a latest-type engine. The crowds were not interested. After a month the company dressed up two actors as engineer and firemen and had them dramatize the old engine's first run.

The crowd streamed around. Thus, having learned in 1933, the company enlarged and further dramatized its show for 1934. Two cars were added to the engine. Inside the cars, through electrically controlled doorways, shifting scenes along the railroad's route were shown. The old engine's bell rang, a cast of actors went into action, and visitors were taken on a well simulated trip over the road. Fifteen shows daily garnered 150 to 750 visitors at each performance.

However, don't jump to conclusions in changing your exhibit. Take your time, study it, move carefully. Hire spotters and on mimeographed sheets have them mark the visitor's course, singly or in groups. This will bring out the dead spots. Then have the spotters mix with the crowds, ask questions, get visitors' reactions. The average visitor likes to talk and he may tell you what is wrong.

A side show in the famed Streets of Paris wasn't getting over. It changed barkers and revenue picked up slightly. But income more than doubled when, after a bit of study, the entrance door was moved around the corner, a mere change of eight or ten feet in distance.

9. Hire attendants and demonstrators for personality, appearance and ability to hold an audience and not because of what they know of your product.

You can always train your exhibit personnel in the knowledge of your product but you can't train them easily in personality and in holding an audience. Then, keep the personnel on its toes. A good trick is to rotate the jobs if possible. A person who tells the same story over and over, day after day, soon becomes an automaton. Make him learn each demonstration and lecture and rotate him with his colleagues and he will keep alert and alive.

Have written speeches but let each demonstrator or lecturer present his talk in his own way, under supervision of course. You will get vastly better results. Hold daily meetings at which each attendant is required to report at least one experience of public contact and perhaps one idea for

BIRD'S-EYE VIEWS DRAWN



Your Plant or Property can be drawn to make a most attractive showing for your advertising, no matter what its size, appearance or location. Write today for proofs and estimate.
WALTER A. WEISNER STUDIO
332 S. Michigan Ave. Chicago, Ill.

improving his part in the exhibit. This keeps them thinking and from growing stale in a long show.

10. Don't overestimate the intelligence of the public in planning your exhibit.

The American Can Company found that a sizable percentage of the people waiting in line in front of its exhibit for a giveaway tin bank did not know what they were waiting for. This may appear absurd when stated in cold print, but people in the mass have the intelligence quotient of children. Make your story simple. Win the interest of the 12-year-old boy and you will also interest his parents. The one exception is the specialized exhibit, such as corsets that appeal only to women.

11. Think of the visitor first.

The money you are spending, the trouble you are going to is not to convince your own executives that your company is worth while. So don't become too preoccupied with company affairs. Department heads naturally will fight to get their departments represented. The designers will urge this color, that design. Executives will have pet ideas. But try, if you can, to think of the visitor first and of the company second. It will pay the company better.

The visitor isn't interested in the company as such, probably doesn't care a fig about its history. He has his own troubles. His feet may hurt, he may be bored to tears, his brain may be dead from overstimulation as he approaches your exhibit. Have you something to blast into his stream of consciousness, something to shock him into attention? If you haven't, you may better spend your money on more conventional advertising. The visitor rules the World's Fair.

A warning with a moral

A WARNING that the ideal of social security must not be politically maneuvered toward popular acceptance as subsidized idleness was sounded at the Mid-West Conference on Industrial Relations held in Noyes Hall of the University of Chicago. W. J. Graham, vice president of the Equitable Life Assurance Society, said:

In introducing social security features in this country, we are late by many tests, but by no test should we introduce, with the beneficial features, any alien philosophies that the individual should cease his struggle for economic independence of his own making and lean on the state.

THEY ARE GETTING FIGURES

5 Days Earlier

at SCHRAFFT'S

SPEED . . . ACCURACY . . . ECONOMY are being effected by accounting executives who have investigated the possibilities of the "Comptometer"—Peg-Board method as applied to sales, costs, production, expense, inventory control, and other analyses.

It is adaptable to practically every line of business and can be used effectively and economically in both large and small organizations.

The "Comptometer"—Peg-Board application at the W. F. Schrafft & Sons Corporation of Boston—a name which stands for quality candy—shows how this combination applies to their particular figure work with the following results:

1. Figures on sales analysis, cost, production, and inventory control of finished goods are now ready five days earlier.
2. A yearly saving of \$3000 over method previously used.
3. Figure information is more complete and more accessible.
4. Seasonal peaks handled without overtime.

These economies are made possible simply by utilizing figures taken direct from originating point and using them, without copying, to pro-



"COMPTOMETER"— Peg-Board Combination

duce final results. Its flexibility permits wide variations in the number of breakdowns and the size and kind of distribution. Accuracy is assured by the use of original figures, eliminating errors due to posting.

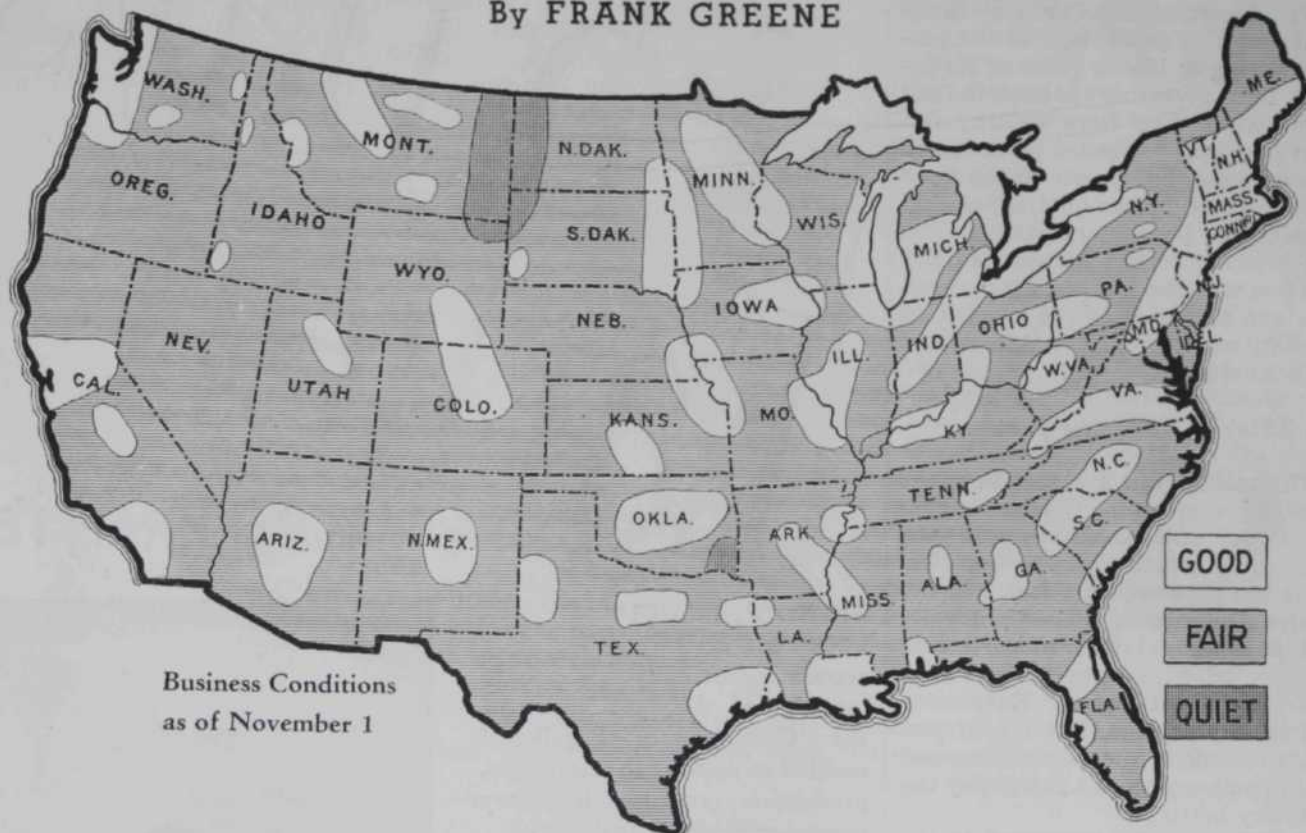
If you would like to know more about the "Comptometer"—Peg-Board combination, communicate with the District Manager of the "Comptometer" office in your locality, or write direct to Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Illinois.

COMPTOMETER

Reg. U. S. Pat. Off.

The Map of the Nation's Business

By FRANK GREENE



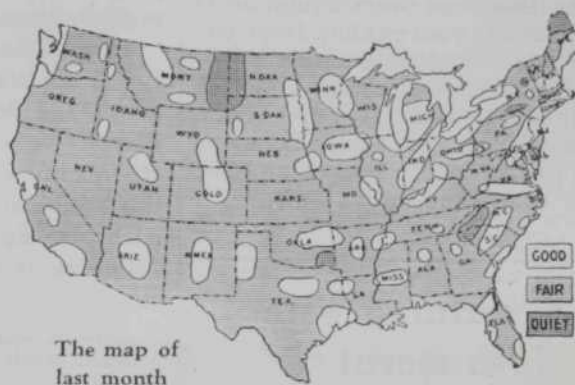
GENERAL warm weather in October delayed retail buying of wearing apparel and slowed an otherwise steady gain in general business.

Industry, however, moved forward without perceptible hesitation. The advance of the automobile season to early autumn stimulated steel. Car loadings, reflecting crop movement and active factory operations, rose to a four-year peak. Electric power registered seasonal changes as well as activity in industry in successive all-time high outputs.

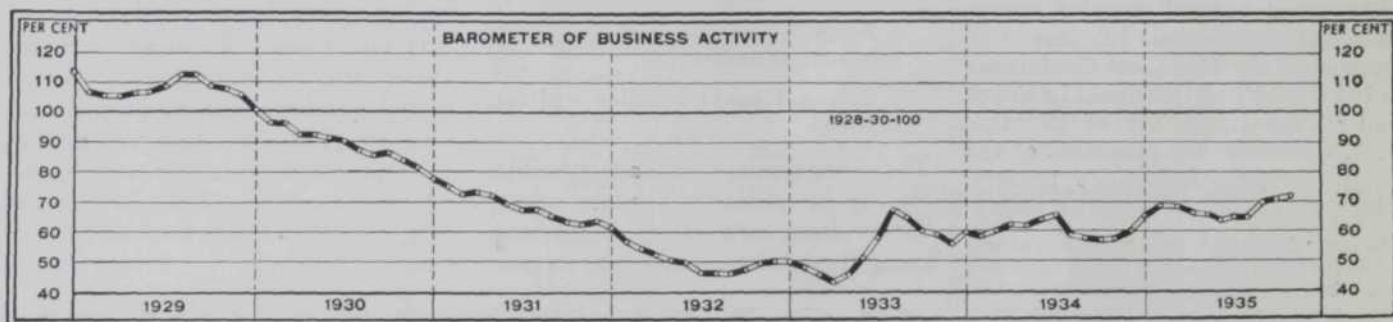
Of the year's crop yields, 24 out of 27 reported enlarged output. Of those declining, only potatoes rank as a crop of first importance.

Favorable third quarter earnings by corporations helped the stock market, which registered its seventh successive advance. Railway net earnings for September were in the black for the first time since last December. Telephone earnings were the best for September since 1929 and telegraph companies also reported expansion.

Despite the lagging of retail trade in some areas, the trend to white seems unmistakable



The map of
last month

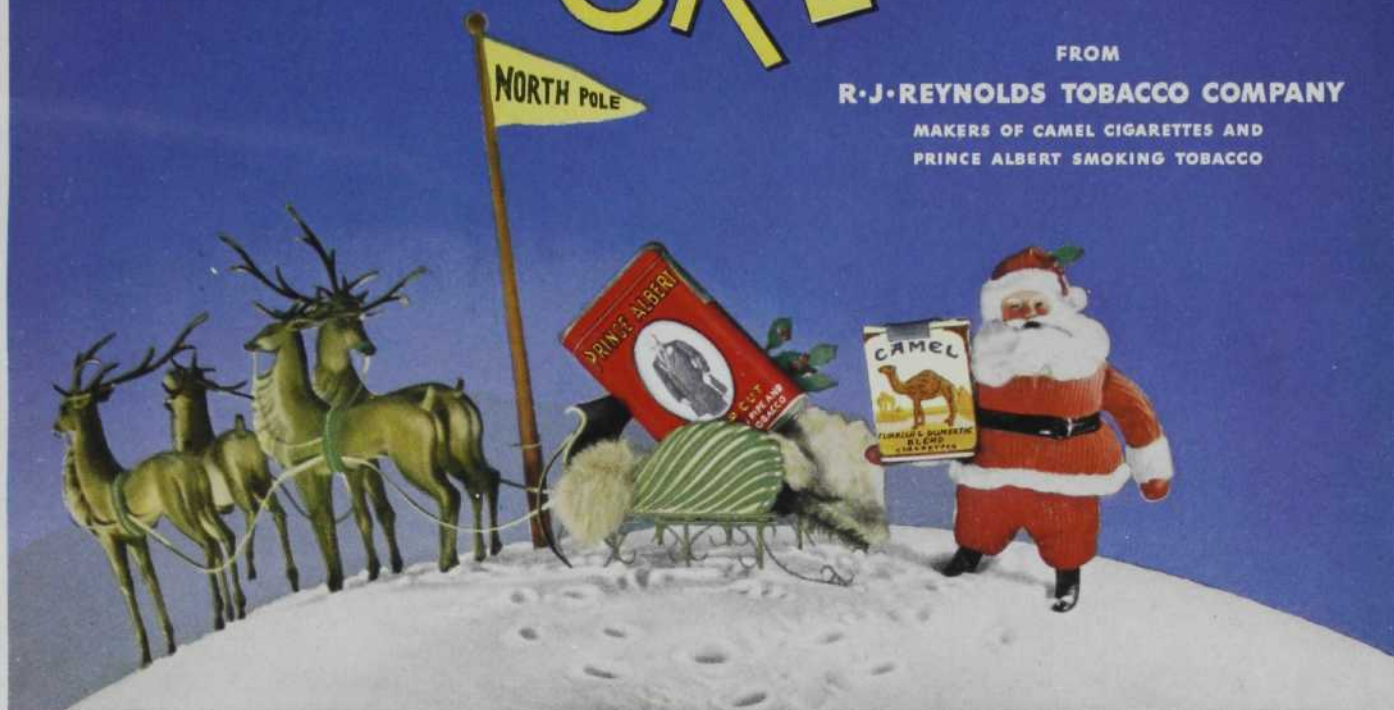


BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

Four out of five factors in the Barometer of Business rose in October, lifting the chart line to the highest point reached since April, 1931. Electric power made two successive all-time peaks

SEASON'S GREETINGS

FROM
R. J. REYNOLDS TOBACCO COMPANY
 MAKERS OF CAMEL CIGARETTES AND
 PRINCE ALBERT SMOKING TOBACCO



Camels

Of course you'll give cigarettes for Christmas. They're such an *acceptable* gift—such an easy solution of your problem. And Camels fill the bill so perfectly. They're made from finer, **MORE EXPENSIVE TOBACCOS** than any other popular brand. They are the accepted cigarette of the social, business, and athletic worlds. Their finer tobaccos give that pleasant "lift"—that sense of well-being so appropriate to the spirit of Christmas.

A Christmas special—4 boxes of Camels in "flat fifties"—in a gay package.



At your nearest dealer's—the Camel carton—10 packs of "20's"—200 cigarettes.

A full pound of Prince Albert in an attractive gift package.



A full pound of Prince Albert packed in a real glass humidor.

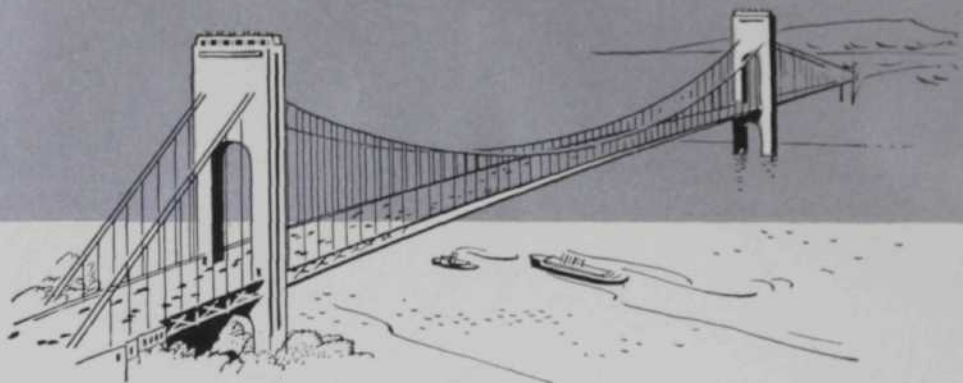
Prince Albert

Fine tobacco for Christmas. For more than a quarter of a century, the mellow fragrance of Prince Albert has been as much a part of Christmas as mistletoe and holly. So to the pipe smokers on your Christmas list give Prince Albert, "The National Joy Smoke." It's the *welcome* gift. For more men choose Prince Albert for *themselves* than any other pipe tobacco. Let every pipeful of Prince Albert repeat "Merry Christmas" for you.

OF ALL THINGS!

a bridge

ADVERTISEMENT!



● When next you cross a bridge remember the figure 2.

Every bridge supports two loads. One you are always aware of. It is the live load, composed of you and your car, and all the teeming traffic of other cars, trucks, busses, street cars.

Load number two is dead load, which every taxpayer, every traveler should know about. It is the enormous weight of the bridge floor, itself. As a matter of fact, bridges are designed first to carry the heavy floor, with the live traffic as an added burden. The weight of the floor system is the greatest single problem in modern bridge construction.

Alcoa Aluminum can make bridge floors lighter. That fact is important to you personally, both as a taxpayer and as a bridge user.

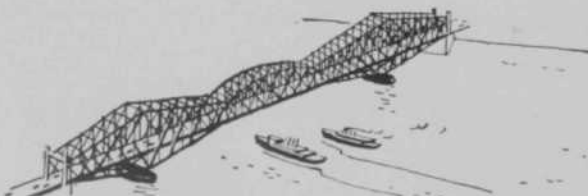
Is there in your community a bridge which cannot safely accommodate a further increase in traffic? A new, light floor system of Alcoa

Aluminum can make that bridge safe for greatly increased traffic for many years to come.

Is there in your community a vital need for a new bridge? A floor-system of Alcoa Aluminum may greatly reduce the total cost of the proposed structure.

Alcoa Aluminum can do these things because Nature made Aluminum light, and research has made it strong. These two characteristics enable engineers to revolutionize bridge construction, "bridge economics."

Likewise, engineers in every branch of industry find new places every day where the lightness of Aluminum reduces dead load, and thereby saves power and adds convenience and mobility. With this saving, the user gets, in addition, superior resistance to corrosion, which is to say, long life and low maintenance. ALUMINUM COMPANY OF AMERICA, 1825 Gulf Building, Pittsburgh, Pa.



forward via fundamentals

A Way Out of the Tax Muddle

By MARK GRAVES

Chairman, New York State Commission of Taxation and Finance

IN A NATION like ours the complications of taxation are inherently great. That is so because we have a Federal Government, state governments and local governments, with independent taxing jurisdictions.

In the early history of the nation the problem was not serious because sources of revenue were separated, except for a short time around the War of 1812, and during the Mexican War. It was not until after the Civil War that both the states and the Federal Government began to dip into the same reservoirs to satisfy their tax needs.

Since shortly after the Civil War that process has been gradually but perceptibly growing. The depression of 1929 has made the effects of duplicating and conflicting taxation much more pronounced because, with a shrunken wealth and a rapidly falling national income, the impact of the tax blow is much more keenly felt.

In the early years of our nation, no federal administration seriously considered invading the direct tax fields occupied by the states and localities. But our Government grew from the small sprout to the giant oak, and costs increased proportionately. A share of the added burden was met by issuing bonds. The remainder was raised through new and increased taxes. All governmental units began to rush into the most accessible tax fields. The subject was given only the most perfunctory study and no general plan has been followed. The result is the confusing mess under which we are laboring today.

Meeting in Washington last March, delegates to the Second Annual Interstate Assembly, an organization composed of members of state legislatures, considered this problem of conflicting taxation. Lovell H. Parker, chief of staff of the congressional joint sub-committee on double taxation, reported that instances of duplication of taxation by the Federal Government and the state governments are increasing at an alarming



What else to tax is the constant question confronting Congress, the legislatures and the local governments

A MAN of long experience in the field of taxation makes some positive suggestions for unravelling the puzzle of conflicting taxes and thus clearing away one of the most formidable barriers on the road to economic recovery

rate. Much of this present increase is due, he said, to the pressure for more revenue.

"In 1932 we found 326 instances of double taxation between the federal and state governments. A rough count in the spring of 1934 shows 883 instances of this nature. This increase is largely due to the imposition of liquor taxes and sales taxes by the states," Mr. Parker reported.

Many conflicting taxes

ANOTHER "rough count" made in the summer of 1935 will probably show a continued increase in what we must now recognize as an enormous burden upon American business.

Among the more glaring examples

of conflicting taxes are those levied upon gasoline, which now contributes to the Federal Government and to every state government; taxes upon tobacco; upon electrical energy, a field which the states have long considered their own, and which the Federal Government has recently entered; upon liquor and beer, to say nothing of the general sales taxes, in which conflicts and duplications are numerous.

What happens in the mad quest for sources of revenue is well illustrated in the case of tobacco. Thirteen states now tax tobacco and many others are seriously considering levying such taxes. If the states continue to impose additional levies upon this product, the return to the Federal Govern-

ment from this source of revenue will be further diminished. Since any material increase in these taxes during a period of depression will decrease the amount of tobacco consumed, the producer as well as the manufacturer will be adversely affected.

Just to get a bird's-eye view of the tax problem, we might take note that for several years the federal, state and local governments have been spending about \$15,500,000,000 a year. Of this they have been raising about \$10,000,000,000 by taxation and borrowing the rest. For the fiscal year ending June 30, 1934, the total revenue of the Federal Government from taxes and customs was \$2,986,000,000. For the same period, the state and local governments received a total revenue of approximately \$6,400,000,000. The total *per capita* burden, therefore, was slightly more than \$74.

Twenty years ago the federal revenues were only \$735,000,000, and state and local revenues, roughly \$2,600,000,000. This gave for 1915, a *per capita* tax burden of only \$34. Thus, in 20 years the tax load has been increased nearly 120 per cent on

the state and local debt will probably be another \$24,000,000,000, making a combined debt that runs into pretty big figures. Not since the fiscal year beginning in 1930 has the Federal Government balanced its budget.

New geese to pluck

SMALL wonder that "what else to tax?" is the constant question confronting the Congress, the legislatures, and, we might add—the local governments. New York City now has both a sales tax and an estate tax. This constant scramble for places at the same tax reservoir by all the units of government is serious from the standpoint of those who are trying to plan governmental finance, and just as serious to business and industry which must ultimately shoulder the load.

The chaotic condition arising from the maze of duplicating and conflicting taxes must be eliminated or both government and business will face difficulties far more serious than those we face now. Our present haphazard "plan" is unjust, unfair, and un-American.

to pay taxes in 191 different instances in a single month. How many accountants are necessary to do this work, and how many lawyers must keep busy advising the corporation?

Moreover, I am convinced that, as we emerge from this depression we will see government continue to expand its normal activities and enlarge its normal functions. The inevitable result will be still higher taxes unless American citizens, led by American business men, call a halt and begin to take inventory of the situation. It is time for us to determine where we are heading in the field of taxation and where we are likely to land.

What can we do to remedy the situation?

There are some who feel that we should attempt to separate our sources of revenue, to direct into particular and defined channels all the public income on the basis of the spring from which it flows. That method might have been practical and workable before the Civil War, but it certainly must be modified today.

With the Federal Government demanding some 40 per cent of the fifteen billion dollars our governmental units are exacting each year, and the state and local governments snatching eagerly at the rest, it is impossible to divide for exclusive use all the sources of revenue, as we once did.

Dividing the tax field

HOWEVER, some reasonable bounds for separation of sources of income are desirable and possible. Certainly the state and local governments should retain the general property tax. This is the single most productive tax in the United States today. It is equally certain that there should be no thought of taking the collection of customs and duties away from the Federal Government.

I come now to this positive suggestion to help unravel the puzzle of conflicting taxes:

I believe the states should abandon the entire field of indirect taxation in sales and consumption taxes to the Federal Government.

Traditionally the Federal Government employed that field. It is a plain fact, easily proven by the figures, that the national government can administer all the indirect taxes, such as sales and consumption taxes, with the least cost to the taxpayer.

I realize perfectly well that many will disagree with that suggestion. It would mean, for example, that the states should abandon such fields of taxation as the motor fuel tax, the beverage tax, tobacco taxes, and all other forms of sales taxation. But I feel I have both logic and experience

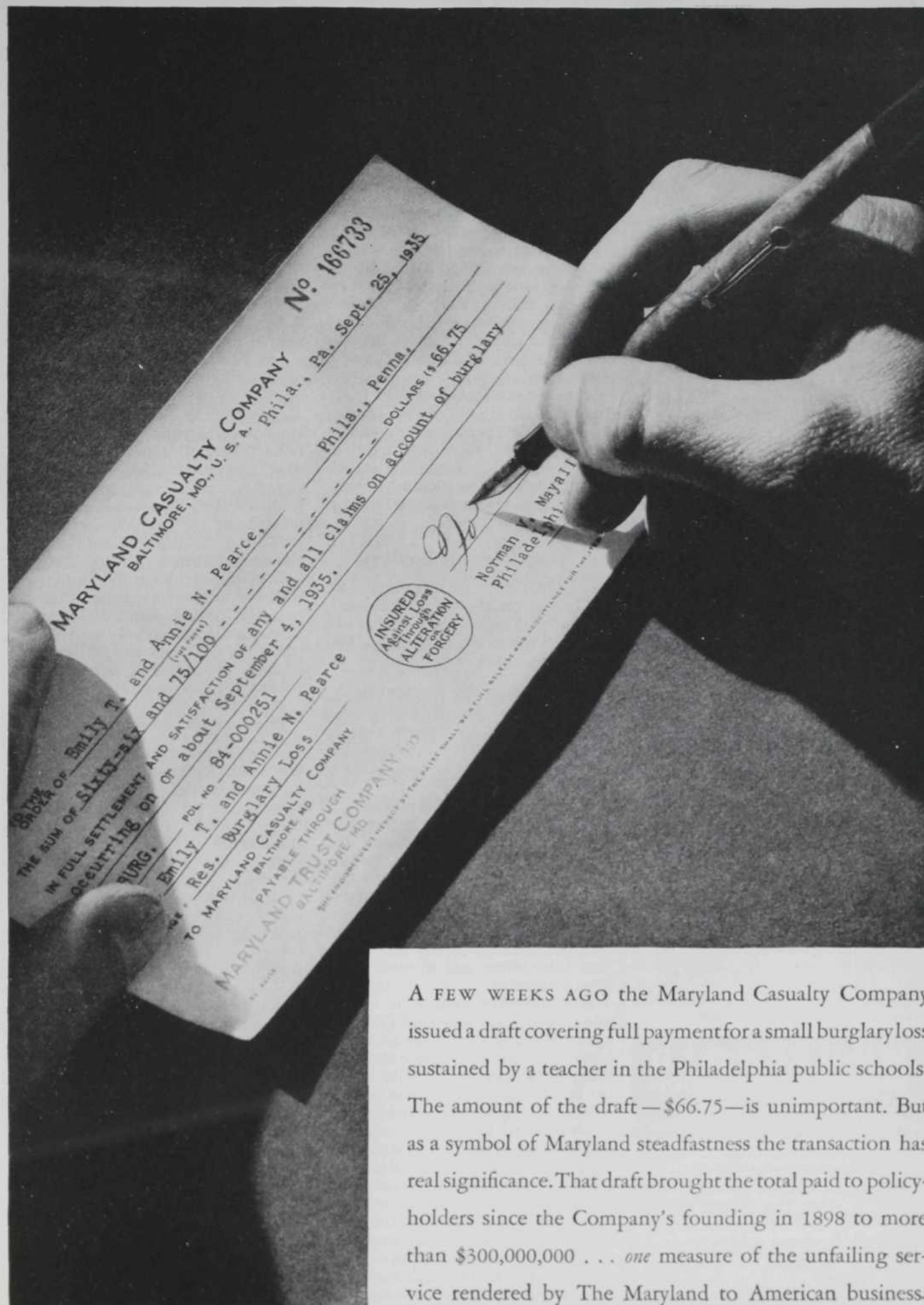


As the tax burden has grown, the number of returns, and records required from the taxpayer has increased

each man, woman and child in the United States.

The *per capita* expenditure for all units of government exceeds the income by about \$56. The public debt of national, state and local governments totalled about \$46,650,000,000 on July 1, 1934. This is a *per capita* debt of about \$370. It is predicted that the national debt on June 30, 1936, will be \$34,000,000,000 and that

As the tax burden has grown, the number of returns, reports, and records required from the taxpayer has also increased. The cost of making these returns and of keeping the necessary records adds materially to the gross burden on business without increasing the revenue of the government. It would be quite possible that a corporation doing a nation-wide business might have to file reports or



A FEW WEEKS AGO the Maryland Casualty Company issued a draft covering full payment for a small burglary loss sustained by a teacher in the Philadelphia public schools. The amount of the draft — \$66.75 — is unimportant. But as a symbol of Maryland steadfastness the transaction has real significance. That draft brought the total paid to policyholders since the Company's founding in 1898 to more than \$300,000,000 . . . one measure of the unfailing service rendered by The Maryland to American business.



They can limit the GROCERY bill—but not the DOCTOR'S

• The men on your payroll, like thousands of other wage earners, can be careful about the price they pay for food but can't select the *inexpensive* kind of illness when members of the family need medical or hospital care. Yet the great majority of them seem to get along, year in and year out, fencing with Unexpected Expenses with admirable skill.

In the lives of these people, Household is an important factor. When facing some emergency expense, out of all proportion to their incomes, they meet it squarely with cash, loaned by Household. They tuck the monthly repayments on the loan away in their orderly family budgets and no one is the wiser. Not even the budget feels a strain. Because monthly payments rarely, if ever, exceed 10 per cent of the monthly income.

A Ship on Even Keel

That is how your dependable workman keeps his ship on even keel in all kinds of storms, aided by Household's practical system of home money management and its service in revealing to the housewife the scientific way to save money through careful buying.

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Name.....

Street.....

City..... State.....

on my side. My experience with the New York sales tax leads me to believe that this type of taxation is not suited to state use. It will operate in varying degrees against the economic interests of any state enacting it, depending upon the rate of tax, provisions for collecting, and a number of other factors. Any such tax is undesirable from a state standpoint.

The Federal Government should immediately enact a general manufacturers' sales tax which will be uniform all over the country. Such a tax might be enacted at a rate sufficiently high to permit the repeal of all federal and state business tax laws. Laid upon all business and all commodities alike, on a nation-wide scale, such a tax would permit of no competition in this field among the various states.

Now, let me hasten to add that I don't believe the Federal Government should be permitted to retain all the revenue. It should be the collecting agency and a reasonable proportion of the revenue should be apportioned to the states and the localities on some acceptable basis.

Amend income tax laws

WE COME now to that very vital cog in the machinery of taxation—the personal income tax. In this field there is duplication between the Federal Government and most of the states.

I believe that the federal revenue laws should be amended to provide for a credit against the federal income because of all personal income taxes paid to states or local units of government.

Credit might also be extended to other taxes of a personal nature, such as low-rating intangibles and poll taxes. This is not a new or original thought. Some years ago this writer was a member of a group which succeeded in obtaining the 80 per cent credit provisions in the federal estate tax. I think it will be granted that this device has worked exceptionally well.

The idealistic method, of course, would be to have a central collecting agency for any such taxes as the income tax. Some suggest that the Federal Government should collect the tax in any case where it is desirable to have a uniform rate over the whole country. That plan is objectionable because it places the states and their localities at the mercy and whims of the Federal Government. Frankly, I do not believe we have progressed to a point where the states can afford virtually to turn over their revenue systems to the Federal Government. Therefore, much as we dislike to see any duplication, it is necessary to retain for the time the

duplicate administration of personal income taxes and, unless a federal manufacturers' sales tax replaces existing business taxes, of taxes upon corporation incomes. But certainly there should be a system of credit against the federal tax up to some per cent of the amounts, on account of such taxes paid to the states or their localities.

A graduated plan might be used to allow a substantial credit for lower incomes and smaller credit for larger incomes; for example, about 75 per cent of the aggregate of the credits for taxes on incomes below \$10,000 and 25 per cent on incomes above \$10,000.

The additional federal revenue needed to replace the federal credit allowed to taxpayers for state taxes might well be obtained by some one or more of the following means:

By including dividend incomes; by amending federal and state constitutions to permit the taxation of income from tax-exempt securities and of salaries of officials and employees of the federal, state and local governments; and by reducing personal exemptions, including elimination of the earned income credit.

Dividend income could be brought into the income tax, as is other income of the individual. If that were done it would materially increase the yield of the federal tax, with no change in rates and no change in personal exemptions.

Eliminate tax-exempt securities

IT IS highly desirable that both federal and state constitutions be so amended that interest income from tax-exempt securities shall not escape taxation. The productivity of the federal income tax would thus be greatly increased and the tax load more equitably distributed. In addition, there is no doubt that broadening the tax base in that way would promote the use of money in industry rather than to provide an inert refuge for moneyed capital.

Salaries of federal, state and local employees should be taxed. As a state official myself, I can think of no good reason why I should receive a salary from the state of New York which the Federal Government has no right to tax. I believe it is an unjust discrimination against a man who teaches in Columbia University, for example, and has to pay a federal income tax on his salary.

When we consider the matter of lowering personal exemptions we are impressed with the fact that this country has but imperfectly developed its personal income tax plan. England, with a hundred years of experience, has developed a system which is far superior to ours. In Eng-



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land a married man and wife with no dependents pay a tax on income exceeding \$750; a single person pays a tax on income exceeding \$500. Under a plan which would eliminate conflicts and duplications, lowered exemptions would bring the needed revenue without hardship.

Perhaps what is really needed most of all is a reallocation of the very functions of government. The tendency now is toward centralization. I fear this trend will become more pronounced unless the field of governmental functions can be more intelligently understood. I still want to see strong state and local governments. Generally, it is desirable for the states to retain their existing functions and services.

There is need for a tax revision council to study the whole problem of multiplied taxation, and determine which functions can best be performed by the Federal Government and which more properly fall to the states and localities. Such a council should include outstanding representatives of the federal, state and municipal governments.

As Dr. Robert Murray Haig, former president of the National Tax Association, has recently said:

The next step in the reform of federal-state relations is the establishment of a national commission, to represent no one in particular and all of us in general.

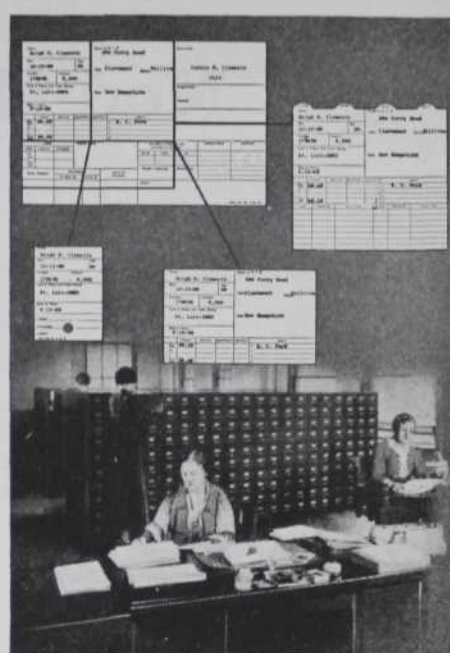
Such a commission should make a vigorous attack on the maladjustment and faulty distribution of the tax burden. It could clear away one of the most formidable barriers in the road to economic recovery and speed a natural revival of investment, employment and industry.

The statistician is coming

BUSINESS will have more reports to make, more blanks to fill out, more visits from government employees when the Census of Business starts early in January. Primarily it is a white collar relief job.

It will include all businesses except agriculture and manufactures. These are excluded because regular censuses are made in these fields. Such establishments as banks, insurance agencies, professional men and, in fact, all other forms of business not specifically excluded, will be covered.

Headquarters offices of the large insurance and banking companies will furnish reports for all branch offices, on number of employees, salaries, wages. Information from insurance brokers, private agents, etc., will be procured direct by the field enumerators.



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of all or any desired part of your original writing . . .

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For years insurance companies maintained card records of their insured on various sizes and shapes of cards. These copies were made by rewriting each card by hand or by typewriter. Now Ditto makes these copies direct from the first typing without rewriting. Perhaps in your business, too, copies are being made by laborious hand processes. If so, it would pay you to investigate Ditto.

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Mad Money Sweeps Alberta

(Continued from page 42)

ism—has been accepted on faith by little groups of amateur economists the world over.

"Economic Democracy" is a new Book of Revelations to them. They have elaborated Douglas's ideas to suit local conditions. The variety of interpretations is great. But, whatever the adaptation, the core of the argument is unchanged. It is that the way to resolve the paradox of poverty amidst plenty is to finance the plenty by giving money to everyone.

Among the numerous adaptations of Social Credit, the first to achieve a political victory anywhere in the world is that of William Aberhart.

An obscure high school principal in Calgary, he began many years ago to gain some local fame as a Bible prophet. One fateful day he read a book on Social Credit. It made a great light to glow in his mind. At once, to his own unique line of Bible prophecy, he added a stock of economic prophecy. He put his impressive radio personality back of Social Credit. In three years he had the distressed farmers of sunny

southern Alberta sold on his plan to end poverty for all time. Finally this year they put him in power and said "go to it."

Canny Scot Douglas has enjoyed a unique form of protection against criticism in that he has never had to design a workable plan out of his vague theories. But Aberhart has gone into minute detail in drawing up a plan. His "manual" is the Shorter Catechism of Social Credit.

Aberhart revised the plan

HE EARLY found that there was hardly enough cloth in the bolt of Social Credit to make a complete political garment. So he wove more cloth himself and borrowed some from competitive monetary heresies, such as those of Dr. Townsend and the Share-the-Wealthers.

The Aberhart version of Social Credit is written to the traditional texts of the cult. There is the people's right to share in their Cultural Heritage; there is the need to distribute Basic Dividends (not National Dividends because Alberta is only a pro-

vince); there is the Just Price and the Unearned Increment which the state must take over from the "un-earners" of it.

Aberhart seems to visualize the business structure as a bottle of whole milk wherein the cream rises to the top. Around the top sit financiers and other non-producers skimming off the cream until eventually the whole milk becomes skim milk. That skim-milk—which is the purchasing power that is left—is not sufficient to nourish the productive system. Hence production languishes and poverty spreads.

Aberhart would continuously homogenize the milk. The state would set up financial machinery to extract the cream continuously as it rises toward the top and pump it back into the very bottom of the bottle again. In brief, it would levy a turnover tax, fix prices so that the tax could not be passed along and pay the proceeds of the tax out to all classes of consumers.

One observes here something of the philosophy of those politicians whose idea of ending poverty is to soak the rich with surtaxes and inflation and to pay the money over to the poor in social benefits. But Mr. Aberhart thinks he can tax in such a way as to prevent the money from ever rising to the top. This is, to him, better than letting it get to the top and then taking it away from those who have accumulated it.

The particular method of keeping the cream in the milk, of insuring a constant and adequate supply of purchasing power at the bottom of the bottle of purchasing power, is to pay to each of the 400,000 adults in Alberta a Basic Dividend of \$25 a month. The exact method of payment is a detail yet to be worked out. The test of eligibility is not to be need. Aberhart is not thinking of relieving immediate distress but of correcting a basic fault in the system. So long as the money gets into circulation and starts to turn over he does not care whether it is a poor man or a rich man who spends it.

Aberhart is convinced that \$10,000,000 of working capital, borrowed somewhere, will operate the plan continuously. On the first of one month he will pay it out, get it back in the Unearned Increment Levy in the course of the same month and pay it out again on the first of the next month. It's a credit whirligig.

Apart from the traditional unpopularity of any form of turnover tax there is another reason why



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Aberhart calls his tax an "Unearned Increment Levy." He thinks the money to pay the levy will be saved through the elimination of distribution wastes and that, therefore, it will cost no one a cent. Give the people new money to spend and there will be a stimulation of trade, he says. Big profits come out of fast turnover. He will not let traders keep the luscious profits that will come to them from having their business immediately accelerated. Rather he will fix "fair" margins of profit through setting a Just Price for every article.

The difference between present big margins—necessary because of slack trade—and the new, smaller margins that faster turnover will permit is the Unearned Increment and will be expropriated by the state. Thus, he claims, the levy will never be passed on.

For instance, if it costs six cents a pound to sell butter, and if a faster turnover would permit it to be sold at two cents a pound, he will fix the price at four cents below present prices and levy four cents on each retail sale of a pound of butter. Everyone will be better off except, of course, the poor merchant who will have to run three times as fast to stay in the same place but who will be able to solace himself by contemplating his own \$25 a month Basic Dividend.

Tax may not work out

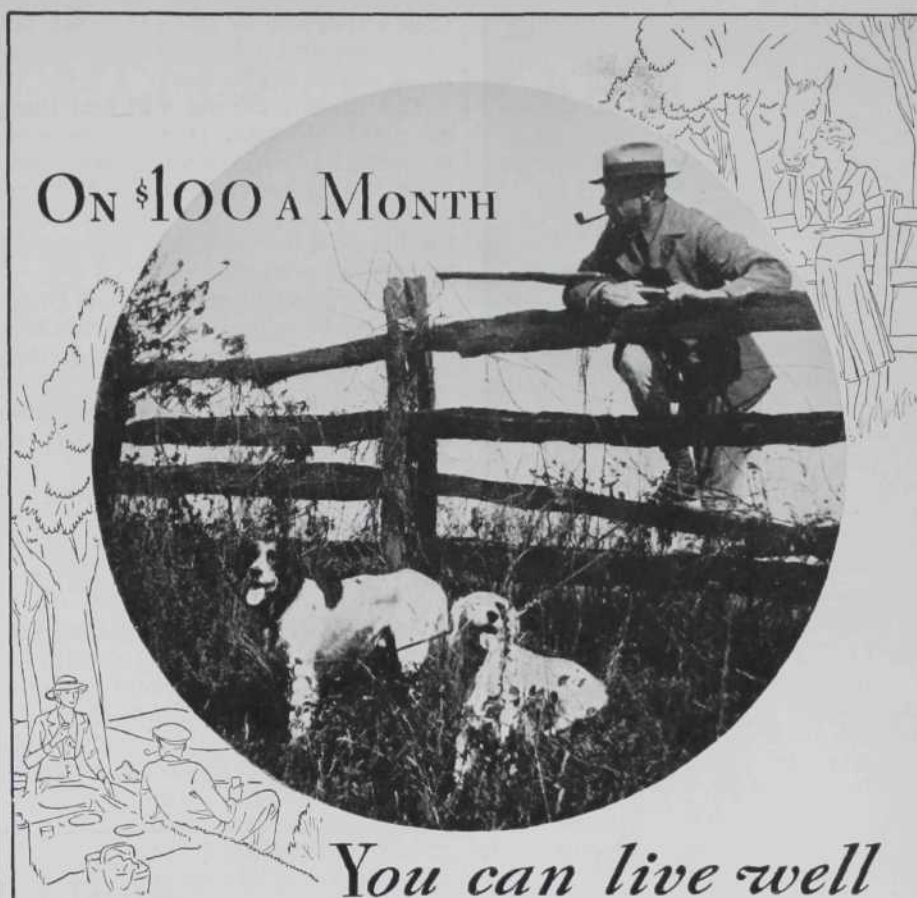
THE thousand and one questions that arise in the minds of the average working business man as he ponders the practical problems of making such a fantastic scheme even begin to work are not easily answered. Even Mr. Aberhart seeks refuge in generalities.

Here, for example, is one practical problem out of many that could be cited:

Aberhart talks of an unearned increment levy just large enough to return to the province the \$10,000,000 monthly that it pays out. Alberta's present turnover, based on figures of natural production, manufacturer, wholesale and retail trade, is approximately \$50,000,000 a month.

Now \$10,000,000 will be thrown into the pot. Mr. Aberhart hopes it will turn over ten or 20 times a month. (He has never studied rates of turnover in business.) But assume he achieves even the ten times a month turnover. That would give Alberta a total monthly internal trade of \$150,000,000. To raise \$10,000,000, plus costs of collection, out of that would take a seven per cent turnover tax on every transaction.

Is there seven per cent waste to-day in every transaction? If not,



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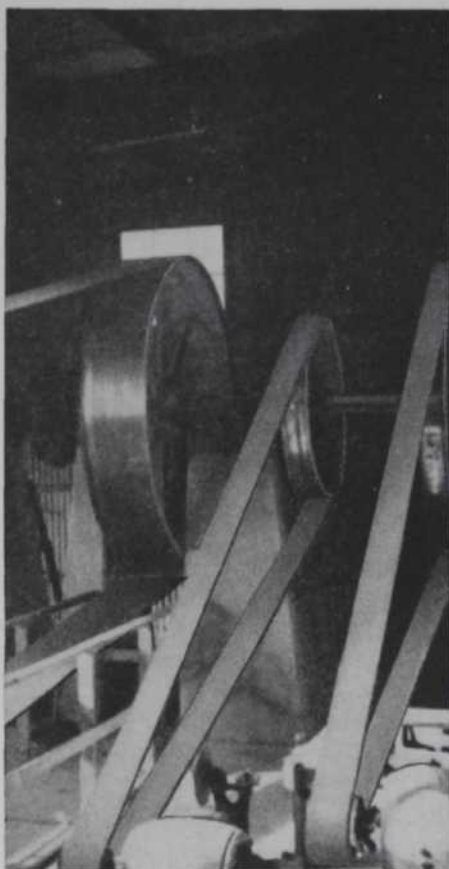
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then a portion of the tax must be passed on and a cruelly deflationary force will be set to work.

The Alberta farmer will find that his dividend is like Dad's Christmas present. Dad enjoys Christmas and likes the presents he gets. But on January 2 he gets the bills not only for his own presents, but for everyone else's presents.

The farmer will get his Basic Dividend. But he will also get the bill for it and for the costs of operating the machinery.

Social Credit may never come into force in Alberta. It may prove to be as mechanically impossible to operate as it is economically fantastic in theory. Will Alberta people then demand Aberhart's political head and go back to more orthodox politics and economics?

More likely failure to get Social Credit going, or failure to operate it after it was started, would lead to excuses and apologies; and to a nation-wide campaign to have Social Credit introduced federally, so that

it would have a chance to work with the protection of tariff walls and a national money system. Already this campaign has been given its initial push and in the recent federal election 17 candidates, favorable to Social Credit, were elected.

In the meantime, Aberhart is making surveys of Alberta's business, and hopes to start within 18 months.

Of greater importance than the details of the scheme itself is the fact that the plain, ordinary folk of Alberta voted for it, and voted for it because they were willing to take any sugar-coated nostrum on faith.

There are earnest propagandists for Social Credit in the United States. So far no nationally known demagogue has taken it up but one or two are known to be looking longingly at it as a possible substitute for their presently-waning shibboleths.

And so Social Credit, as an emotional successor to Free Silver, Technocracy, Inflation and Share-the-Wealth, is more than a mere remote possibility.

Public Servant

(Continued from page 29)

any cause he believes in. What about me? Did I forfeit the old Jeffersonian rights the instant I went on a public pay roll? Yet I disliked to see political activity on the part of federal, state or city employees, especially around the polls, before I took this job. To me it bucked the spirit of Civil Service. What would you do?"

Or the mail brings you a letter from your immediate superior or from another higher up the line. A bill you believe futile or cannot stomach is before a legislative body. It redeems a plank in the administration's platform, or is a catch-all to lift someone to higher public office. It strikes you as counter to the common good, class legislation, perhaps, or its aim is to curtail the activities of your own department and eliminate jobs of friends. You're asked, if asked is the word, to see the assemblyman and senator from your district and persuade them to work and vote for or against the bill. You are expected to lobby on your own and the public's time—you, a public servant paid by the public. Yet, like the other problems you've mused about, the practice you know is as widespread as voting a straight ticket. . . . It's done in our best civic circles.

When moving is forbidden

THEN again—well, there was Mac. Politics got him finally, though you

don't quite know what I mean. None ever questioned his worth or integrity. San Juan Hill at 17—two years in the Philippines—an honorable discharge—clerk in a law office and then—the public service. Ever regular, he carried his precinct for the party but the day came when he decided to move his family to a better environment, the children to better schools.

"Nothing doing. We need you here," his ward boss said. Mac moved.

"All right, I'll get you if it's the last thing I do," the district's big shot boomed, and six years later, the wheel of public fancy having whirled, he fulfilled his threat. The man who got Mac's job had for six years filled the political void Mac left when he gave his family a place in the sun. You cannot, putting it another way, always change your residence with impunity, especially if politically you're a magnet and the job is run-of-mine. But whether the job is big or little, the Grays, Whites and Browns seldom smile graciously when you move to greener fields.

"He knows his job. I like him, but politically he doesn't mean a thing to me," I've heard them say. "If he goes, the job goes with him. That's what I don't like. The job ought to stay in my district."

Is it of record anywhere that a business man facing a like issue said, even to himself:

"I don't like his moving idea. His job and his residence go together. I

can't separate them. If he moves I'll have to give the job to someone else in the same house."

And, finally, what happens to the appointive officeholder when jobs are scarce? He becomes a blimp-like target for those who have tardily achieved a flaming interest in public affairs. He and his job are raked by the fire of a public suddenly public-job conscious. He knows the pressure and exhortation from those who want or need jobs for themselves, a daughter, an unemployed son-in-law or for one whose appointment means more to the party than does his own retention. Nothing can be done about it but take it—and hope that somewhere on the bridge above a captain stands who, when conscience dictates, can say no and mean it.

Politics is politics

THAT hope abides with you, too, when the press brings word that the jobs on your pay roll are to become a pawn in an administration's drive to extract what it wants from a recalcitrant legislative body. Unless you've long held public office you don't, you can't, believe that a borough satrap, a mayor, a governor or a president, would fire or even think of firing you from a job you were doing well because he had promised that job to another to corral a vote which you and he know native intelligence, an oath or common decency ought alone control. It has been done. It is being done.

And, finally, if you are marked to go, the parting seldom resembles that accorded you in business. Rarely are there anesthetics. You go quickly. Often you are likely to read about it in the newspapers days or weeks before you get your official notice. Many I've known through the years never received a dismissal letter, but wise to politics, they knew the jig was up and merely waited for their last pay check.

Many, higher up the line, have shown me telegrams or told of phone calls from the front advising them they were through. One I've long known, looking up from his work, was handed a penciled note signed by a cabinet officer:

"This will introduce your successor," was all it said.

The quicker, the easier

"LOOK around a bit," says the decent average in private business. "We'll carry you on the pay roll. It'll give you a chance to land something else."

The public employer? Seldom. It's the ax because a lighter cleaver would give you a chance to reinforce your

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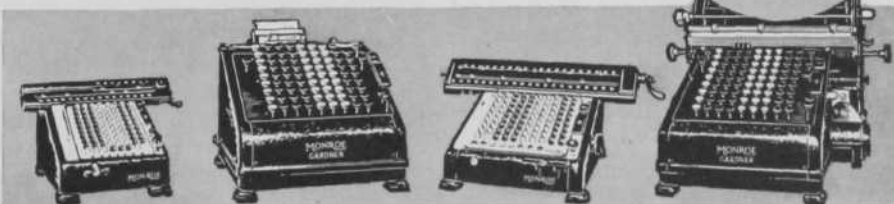
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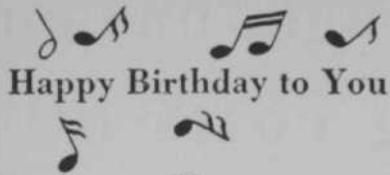
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political fences and thus antagonize those who want your job. And your going, make no mistake, is news because if the public deems you incompetent it will be glad to read of your exit just as it will gladly read of the opportunity your going gives another local light to shine. Also the man who sponsored your successor wants the pulpit, the civic leader and the barber shop to know who's who in influence at the Capital, City Hall or County Seat. Quick exits, fireworks, headlines, all good old customs of the trade.

Expect to be fired

"BEING fired from a political job ought not to get under a man's skin," I once heard a business man observe at a civic round table. "To me it's a mark of distinction."

Whom, and with what, does the distinction and the irony of it really brand—the public or its servants?

And who pays the bill?

"Are we entitled to a deduction under that ruling? We were in '34."

"Where do you want me to put the garbage for collection? A year ago you said the alley. Now you tell me—"

"How many exits must we make according to the Act? Doesn't any one there know?"

"The enclosed seems to be an entirely new type of insect. In 1933 Mr. Blank of your department was good enough to tell me just what to do in a similar case. I followed his advice but evidently he is no longer with you. As the situation has become—"

"We are eagerly awaiting a reply to our letter of the 2nd ultimo."

"Can we build a hunting lodge on this particular forest preserve and under what conditions?"

"Under what classification do we come and what is the license fee? The law has been in effect since 1915."

"Whose tree is it, anyway—mine or the borough's? A year ago Blank said it's mine. Now you say—"

"Hell! Let me talk with Smith. What? They would fire him! He knew his stuff. Always gave us a yes or no without any hemming and hawing."

Business should investigate

THUS, today, to a degree greater than at any time within my recollection the public addresses those chosen to serve it.

Some day, a survey will be made—one more won't do us any harm—of the cost of labor turnover in the public service. Since government today sits in judgment upon industry, business, reciprocating might put in

the survey's agenda subjects for study like these:

1. The cost of educating the higher-ups—new cabinet members, department heads, bureau chiefs.

2. The cost of instituting under fresh labels technics in operation that the small fry know are unworkable because they themselves have seen them tried, and fail.

3. The cost of worker inertia due to the pressure of the political pettifogger.

4. The cost of worker insecurity.

5. The cost of starting things which newcomers in public service do not realize have, long before they came, been started and finished or consigned to the limbo of the impractical.

6. The cost of importing people with nothing but front and patter to dramatize jobs 57 home boys and girls could do as well at half the price.

7. The cost of soft jobs that involve no work except for the wheel horses that ever do the work.

8. The cost of new brooms wielded by people who have never used a broom.

When the grand total is struck it will mount as high as the cost of whatever of graft we have in public life.

"Well, what can be done about it?" you ask.

A problem for the voters

THE answer is: "What are you going to do about it?"

Two things of lasting worth you can do. Do them.

1. Elect to executive office—federal, state, county, municipal—men and women who, on stump and in printed word, pledge themselves to strive, during campaigns and after them, for the principles of a genuine civil service.

2. Elect to senates, legislative halls and council chambers men and women pledged to work and vote for just that—a genuine above-board, free-from-red-tape merit system; to institute one where none exists; to strengthen that which does exist; pledged to a hands-off policy toward the public's personnel in appointments, promotions, dismissals; in short—senators, assemblymen, councilmen, dedicated to the simple proposition of minding their own business.

Columns back I launched an "if"—If I had a boy and he asked me: "What about it? Shall I enter the public service?"

I still cannot in conscience give him a yes or no. I can only tell him what the years have told me and—leave with him, forever and a day, a fervent hope that should opportunity come to serve under a capitol's dome or at a country crossroads he will not spurn it.

For a country whose youth scorns the humdrums of peacetime enlistment is not the kind of country, I think, he'd long care to live in.

Don't Copy Germany's Mistakes!

(Continued from page 26)

Small reserves by no means improve this condition.

In the unemployment catastrophe in Germany, the number of unemployed increased with startling rapidity while the number of the workmen still employed and paying premiums continually diminished. The premiums no longer sufficed and had, therefore, to be raised. They went up from three to 6.5 per cent of the wages.

In the most critical time, when benefits were being reduced, and economic expenses were increasing, the wages were cut still more. Since it was impossible to increase the premiums indefinitely, the allowances had to be repeatedly decreased. This procedure in each case increased the social tension.

Higher premiums, lower benefits

THE same methods had to be applied to sick insurance and old age pensions. There the increasing unemployment resulted in decreasing premiums, while the expenses of the former remained almost the same, and of the latter increased incessantly. The disability insurance was insufficiently covered, due to loss of capital through inflation and increased allowances. Having been reduced to the apportioning system, it lived from hand to mouth.

Business concerns were no longer able to pay the accident insurance dues. Some trade associations had to obtain 50 per cent of the rates by levy of distress. The miners' pensions were repeatedly on the point of stopping payment.

In the time of her hardest social crisis, social insurance was Germany's greatest inner trouble.

The saddest inner-political heritage the new German Government was forced to accept was the social insurance, the most vital part of which was on the point of collapse.

But the dangers of the apportioning system are only a little less in prosperity than in crisis. When economics are on the upward grade, the increasing receipts and decreasing expenses form a great temptation to raise the allowances and to make unnecessary capital investments.

It was in this way that the budget of the sick insurance rose in the years of apparent prosperity at the rate of 200 millions annually. From 660,000,000 marks in 1913, this budget grew to 2,300,000,000 in 1929.

308 COMPANIES ELIMINATED

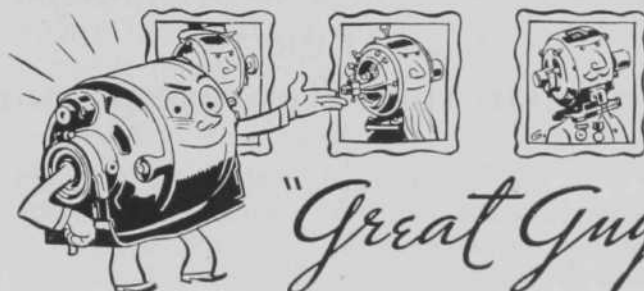
Through September 30, this year, 308 companies including municipal and other unincorporated plants of the Associated System have been merged, dissolved, rendered inactive, or otherwise disposed of since 1922:

1922 2	1927 34	1932 26
1923 1	1928 19	1933 27
1924 18	1929 43	1934 14
1925 17	1930 19	1935 34
1926 33	1931 21	TOTAL 308

Approximately all of the remaining companies now making up the System are necessary to serve the gas and electric customers in more than 4,000 communities where Associated services are supplied. These communities are small; only 86 have more than 10,000 population. Many had their own little electric companies, in many cases rendering inadequate service at high rates, when they came into the Associated group. Territory served by these companies has been expanded under Associated management.

As a matter of policy the Associated System has eliminated unnecessary companies as rapidly as possible. A considerable number remain which could be eliminated now if necessary permission could be obtained from State commissions, and other legal requirements could be complied with. The System will continue this policy of simplifying its corporate structure as fast as laws and operating conditions permit.

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The same thing was to be found everywhere: in 1913 the budget of the entire social insurance system was 1,300,000,000 marks; in 1930, approximately 6,000,000,000. And this without the expenses of public welfare that finally bore the greatest part of the burden of unemployment.

The entire social budget—social insurance plus welfare—totalled 2,100,000,000 marks in 1913, but in 1930 this budget reached 10,800,000,000 marks. But when the economic crisis came the promised and vested payments could not be kept up.

In discussing this subject we should constantly bear in mind that social insurance is a legal contract, based upon premiums paid and guaranteeing definite benefits, whereas voluntary relief is always at liberty to adjust itself to circumstances.

In Germany, nevertheless, the legally reinforced social insurance contracts had to be changed and partly cancelled, and the "legal rights" only continued to exist on paper. Yet it was the legal claim which had been played up as the real progress in social security.

In true insurance, the amassing of adequate capital is only possible when demands can be approximately calculated, as in the case of life insurance, which is based on mortality

tables and similar actuarial statistics.

In Germany the most firmly convinced fanatics on social insurance—such people still exist and in most cases they fare very well—are even now sure that unemployment insurance "is not an insurance really." In 1927 this "Crown of social politics" was introduced, with fixed premiums and fixed benefits. Three or four years later nothing was left and all that remains of unemployment insurance today is its name. Now the welfare principle is applied for the unemployed: insurance allowance with legal rights for six weeks only. Juveniles and working women have no legal claim.

The period for which benefits are made must, of course, be limited, as with a subscription of 6.5 per cent of their wages, not all unemployed can be supported. The greater the number of unemployed the lower the limit must be set. At first the allowances were made for 26 weeks, now for six weeks. As in this crisis, unemployment frequently lasts for years, most of the unemployed no longer receive any allowance. The unemployed insurance at present scarcely supports one-third of the unemployed. The welfare and the crisis centers support the rest just as they did before social politics had their "crown" put on.

Since these institutions draw their funds from the state revenues, the communes continue to bear the chief part of the burden. It is a curious fact that the communes tried to cast off the burden by finding work for part of the unemployed so that they could pay their premiums into the unemployment insurance and thus gain a fresh legal claim. Then the same thing could begin all over again.

That is the curse of the evil done by trying to force something uninsurable into insurance formulas.

It is not in the least different with the sick insurance. The unevenness in the business level, the seasons, holidays, a change of work, failing health and many other things contribute to bring about a noticeable change in morbidity.

Since the sick insurance has been in effect, the average number of days of incapacity to work because of ill-health has arisen from 5.5 to 28 days, *although health in general has considerably improved.*

In the strict sense of the word, the sick insurance is not insurance either.

Of all the risks in social insurance, only old age, death, and number of dependents can be exactly established. These are, therefore, the only cases in which an unobjectional actuarial basis and an unquestioned legal claim are possible. Everything else is hazy and uncontrollable.

A CAREER IN

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The Mutual Life
Insurance Company of New York

DAVID F. HOUSTON, President
34 Nassau Street, New York

What is decisive in judging the merits or the worthlessness of social insurance is not brilliant theories interspersed with sentimentality and false humanitarianism, but the rougher language of practice. A few words on that subject.

The sick insurance provides the workman with free medical attention, with medicine and other necessities, and with an allowance.

At first sight, this would seem to be a great blessing for the workman as well as for national health. The reality, however, is very different.

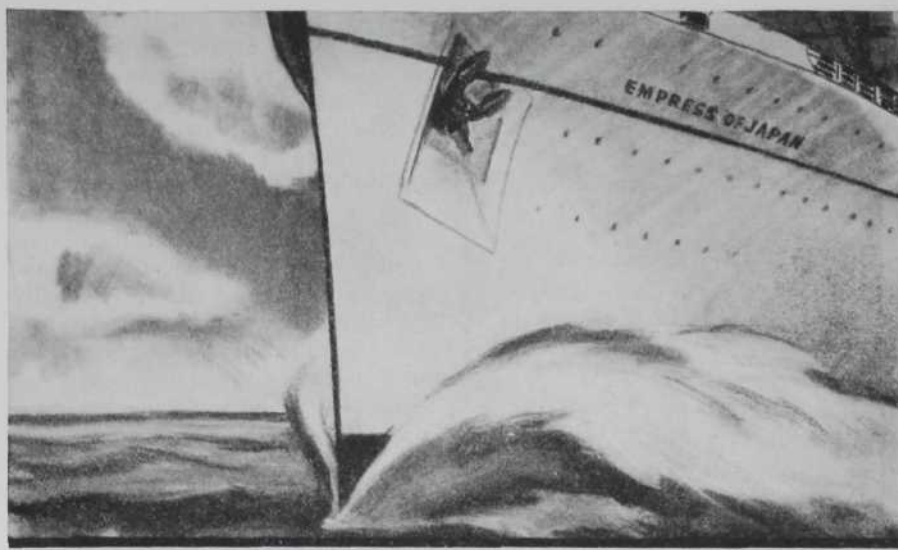
Dread of illness obsesses most people and this has been pressed into a system under which illness is made easy and the will to be well is strangled. The doctor is consulted a dozen times where once would be sufficient—the insurance pays. Medicine and bandages are desired. When they have been obtained, they lie about until they are no longer fit to be used and must be thrown away—the insurance pays. Besides it is nice to get something for the premiums paid year in and year out. Excessive "over-doctoring" results.

Pretenders and hypochondriacs are bred. The advertising of certain remedies and cures creates a medicine craze. A few years ago it was ascertained that four times as much money was used for doctors' fees and medicines for 35,000,000 people in insurances as for 30,000,000 uninsured. This was stimulated, unthinkingly, by a desire to get sick money. An actual run on the sick insurance allowance set in.

At first sight it seems improbable and paradoxical that anyone should desire to obtain sick money that scarcely amounts to half the sum of wages. Why should anyone, unless compelled by illness, forfeit his wages to get an allowance of half the amount?

Sick wages encourage "illness"

REASONS are numerous. For example, when wages are being decreased, when work is scarce and work hours shortened, when there are fewer shifts, many holidays, work restrictions at certain seasons, outdoor work in frosty weather, 50 per cent of the wages is welcome. One objects to the work he is given, another does not feel like working, a third's time is taken up by some family matter for which he would have to take leave of absence and forfeit his pay. In such cases, the sick insurance comes in handy. Besides this, there is also deceit. Fictitious contracts are made, doctors are induced to prescribe medicine and, instead of the medicine, the pharmacies hand out toilet soap and perfume.



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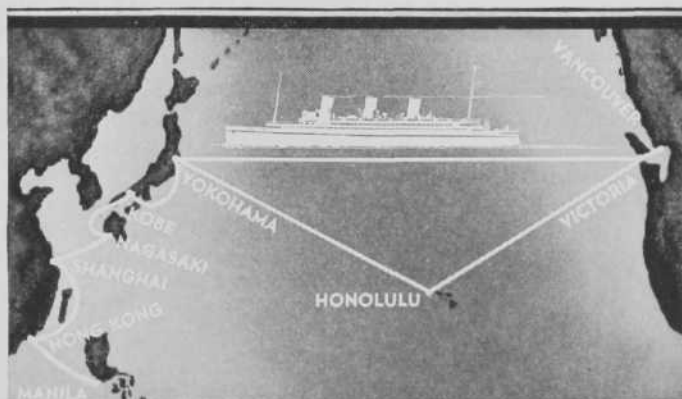
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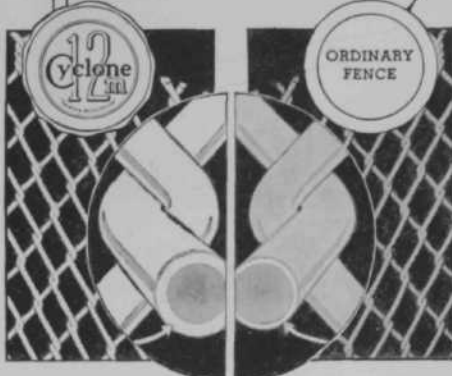
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Fence Fabric
stands the test
of the years



Heavy 12-m coating stands 12 Preece test dips

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● Whether or not you understand metallurgical science, study for a moment the greatly enlarged strands of wire shown above. For this illustration will save you real money when you buy fence.

Cyclone 12-m fence is copper bearing steel wire woven into fence and drawn through a vat of molten zinc. This heavy coating is solid, rust-resisting metal—free from pinholes or granules through which corrosion might attack. As proof, Cyclone fence bearing the 12-m seal is guaranteed to withstand 12 immersions in the famous Preece super-weathering test. And this Cyclone protection costs you no more than you would pay for ordinary fence fabrics which can withstand but 5 to 6 of these dips.

Cyclone fence comes to you from a nearby factory branch and bears the Cyclone 12-m seal . . . your guarantee that every foot will meet this extremely high standard.

Every prospective purchaser of fence is invited to mail the coupon for the famous Cyclone book—"Fence—How to Choose It—How to Use It". It tells how to get the most for your fence dollar.

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Please mail me without obligation a copy of your book, "Fence—How to Choose It—How to Use It."

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I am interested in fencing approximately.....
feet of ☐ Industrial property ☐ School ☐ Play-ground ☐ Residence ☐ Estate ☐ Cemetery property

Cyclone Fence
Cyclone is not a "type" of fence, but is fence made exclusively by Cyclone Fence Company and identified by this trade-mark



United States Steel Corporation Subsidiary

In the first months of the year, the applications for employees' insurance pour in because many are eager to take their summer holiday at the expense of the social insurance.

Matters soon made an extensive controlling system necessary. This ended in badgering all persons concerned. Controlling officials must visit patients in their homes to convince themselves that the patient is really ill and not working. The doctors, therefore, allow the patients certain hours for going out.

The sick insurance engages so-called confidential doctors who give the patient a final examination to see whether he is too ill to work. The results of such examinations are startling. Here is one instance among thousands. Of 2,008 patients ordered to appear for a final examination, 816 at once enjoyed complete recovery; 289 were found to be well by the confidential doctor. So nearly 50 per cent were not ill at all.

The confidential doctor is, so to say, the medical policeman, who not only controls the patients but also his fellow doctors.

The genuine patient is justly indignant to find that his illness is doubted, and that he who has always paid his premiums regularly and has a right to demand conscientious attendance is considered a cheat.

This system, together with the rest of the bureaucratic apparatus, has wedged itself between doctor and patient, completely destroying the patient's confidence in his physician, which greatly retards all recovery.

The sound idea of sick insurance has become thoroughly unsound.

The connection between the different risks in the social insurance system are much more important than would at first appear. Social insurance tends to extend itself automatically.

Awakening individual responsibility

WHEN social insurance was first planned in Germany, accident insurance only was considered. Since accidents are infrequent, relatively few workmen met with them. Then it was discovered that old age, illness and disability are much more frequent in a workman's life. These overtake all. And, although Bismarck considered sick insurance a supposititious child, it was the first to be enacted.

Out of it has grown a pension and support craze that aims to make the entire population of the country state pensioners.

Social insurance laws include 2,700 paragraphs (200 of these have lately been abolished). A great number of amendments, executive regulations

and alterations supplement this confusion of paragraphs. Even experts can only make them out in parts.

The number of officials required to administer social insurance varies with the work being done. In total, and including the unemployed, some 22,000,000 persons are insured.

In the past few years, the administration costs totalled 400,000,000 marks annually.

For every 200 persons insured, one official is needed in the administrative organization, which by no means comprises the entire machine. A great part of the administrative body is borrowed from other departments of government, as for instance the Reichs-post office, as well as from private business concerns. The post office sells the premium stamps and pays out annuities for the old age insurance.

The private business concerns serve as collecting agencies. Their duty is to compute the premiums, deduct them from the wages and convey them, together with the employer's share of the cost, to the different offices of the social insurance. The wage departments, therefore, have become duly enlarged, causing considerable extra cost which is hard to estimate. Wage computation has gradually come to be a science in Germany.

The extension of the administration, the complication of its legal regulations, require a special supervising and judicial staff. This work is accomplished by a Reich-insurance office, three regional insurance offices (these are soon to be closed), 68 head offices and 1,100 insurance offices. The costs for this army of officials are not included in the administrative expenses, but are borne by the state, as are the administrative expenses of welfare relief.

Gigantic sums of the workmen's capital are invested in the buildings which house the offices. The social insurance occupies the largest buildings in many cities. In the period 1918 to 1932 particularly, so much money was invested in these palatial buildings that a public scandal resulted. The sick insurance palaces and the unemployment office buildings vied in size and splendor with the administrative palaces of great financiers and industrial concerns, or representative public buildings. While many workmen are living in dilapidated houses, their money was used for building huge, luxurious offices, which bore no sign that their purpose was to administer the hard-earned capital of the working classes, put by for times of need.

To these must be added numerous other buildings—laboratories, dental stations, medicine depots and a con-

siderable number of nursing homes.

In Germany no one any longer doubts that the employer's share of the premium is taken from the workman's wages. What the employer contributes to social insurance, he cannot pay the workman in wages.

But in spite of all these difficulties, social insurance has taught one good lesson—everyone must use part of his earnings to protect his future. Times of unemployment can be bridged from savings only.

Independence and the citizen's sense of responsibility are the only means to save a state from too great a social burden, as was the case in the United States before the great crisis came. There the inexorable "I must" drove everyone on, for no social insurance existed to take the trouble from the people in a time of reverses. Every single individual must be made to see that he has the duty to provide for himself. The strong-minded will do this without compulsion. For the carefree, weak characters, state compulsion seems necessary, not only to protect them but to protect others who would otherwise have to care for them. For this reason, duty to save, prescribed by the state, is the best solution of this problem. All this can be carried out with the means which are now wasted for social insurance.

Why, people will ask, does Germany, after having experienced the great drawbacks of social insurance, not adopt this system?

Hard to change systems

IF Germany had no social insurance system but still had her 50 years of experience in it she certainly would not adopt social insurance today. But it would now mean in Germany transforming one system into another. This is the difficulty.

When a nation has been swayed by a certain law for half a century, this has, be it right or wrong, entered into its mentality and the task of training people to another way of thinking is difficult.

More vital still, millions of old people, of disabled, widows, orphans, cripples, depend for their very existence on the insurances, and millions, through contribution over decades, have gained rights that must be respected.

Although a change might be worked out, the winding up of the present system would require a long time—for the annuity insurance it would take years.

For these reasons social insurance, once established, is difficult to abolish. This ought to be borne in mind and be a warning to take particular care and consider it well.



Safe Mooring...

A tall ship glides into port . . . husky seamen veer out the hawsers . . . dock hands make fast. The ship is safely moored against the vagaries of the weather and the sea.

During the past few years, countless individuals, businesses, and industries have been shielded from disaster in the safe port of insurance. • The Standard of Detroit, during these times, has provided its share of security to those in need of protection. Today, more than a million people enjoy the comforting shelter of Standard's casualty policies and bonds. • During 51 years of service, Standard has maintained a nationwide reputation for unquestioned protection and satisfying service. Over \$143,000,000 has been paid in claims. • 6,500 representatives throughout America are available to provide experienced insurance and bonding counsel and deliver to you the service that has satisfied so many in the past. Insure with the Standard of Detroit.

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**WORLD
MARKETING**

By D. V. COLLINS, Marketing Authority

Portrait of a Country Merchant

(Continued from page 16)

glowing stove. They cleared their throats and looked at the floor. Ed came from behind his counter.

"I won't sell you alcohol, Steve," he said quietly. "Take your money and buy food for your kids."

The loafers do not agree as to just what happened after that. Regretfully they admit that their joint efforts have been unable to piece together the things which Steve said, although they agree that they were things which should not have been said to a deacon—at least a deacon with Ed's muscular development. There followed action which dusted the rafters and sent the loafers scurrying to the safety of the aisle back of the counter. None knew how long it lasted, but when it was ended Steve was on the floor and content to stay there.

Then Ed picked up the bill that had fallen on the floor and put it in his pocket. With a basket he moved about his store looking neither at the loafers nor at Steve. When the basket was filled with groceries, he set it on the counter, took off his apron and put on his coat and hat. With the basket in one hand and Steve in the other, he marched off down the road to the west.

The rest of the story comes from several places. From the doctor whom Ed routed out to look after the Remsons' young one, who was sick; from the elevator man, who also handled fuel and who took a ton of coal to Remsons' on Ed's order; from the station agent who gave Steve a job handling freight and agreed to call Ed if he failed to show up.

Business at loss

"AND the funny part is," the story always ends up, "when Ed paid for the coal and the doctor bill, that money he had of Steve's was all gone. He never got a cent for those groceries."

After that Ed was held in a sort of awe. Lazy parents built a useful myth on his prowess.

"I'll tell Ed on you," became a standard warning for misbehaving juveniles.

It drove much of his penny candy trade to his rivals.

For he had rivals by that time. The town was growing, branching out. It boasted a hardware store, a drug store,

a barber shop, other things. And as new lines came in and were established, Ed gradually concentrated his own business. Soon he was handling only dry goods, groceries and men's clothing.

"Good for business," he said when people asked him why he abandoned certain lines to others. "More stores there are, more people will come to trade at them."

More people did come, doctors, lawyers, school teachers, and a printer from the City who started a newspaper with an uncertain press and a handful of type. It is unfair to say that Ed endowed the newspaper, but he was one of the first to sign an advertising contract.

He scrawled his first ad with a lead pencil and he let it stand until the type wore out.

"All right," he said when the printer suggested he write another one, but he put off doing it until the paper had run three weeks carrying the words "This space reserved for The Store," in the middle of a blank space.

It is fair to say, the paper rewarded his loyalty when the time came.

Though Ed asked the editor to do nothing for him, personally. What he asked was for the town. Doc Bascomb was actually responsible.

The Doc drove up to the store one night just as Ed was locking up.



"Me and this whiffletree says some of you aren't going to get there"

"Hey, Ed," he called from his buggy. "Wait a minute."

He wrapped the lines around the whip and climbed down leaving the horse standing.

"I've got to go out to Lathams'," he said. "Elsie's sick. Oldest boy came for me on horseback. I just got in from another call and everybody at my house is in bed. I'm hungry. Fix me some cheese and crackers, will you?"

Ed went back in the store and lighted the kerosene lamp. He still had kerosene in those days, although he was the first to put in an acetylene system. That cost him a lot of business at first. Old-timers vowed they would never go in the store again.

"Damn thing will blow up first thing you know," they said. But it never did.

The Doc stood by the stove which was still warm, rubbing his hands. Ed pointed to the cracker barrel and cut off a slab of cheese.

"Coffee?"

The Doc nodded.

Ed got out a pot that he kept in the store and stirred the fire.

"Lot of sickness," he said.

"Plenty," the Doc said. "Wonder there isn't more. There's enough malaria germs in that swamp south of town to impregnate the whole county."

The Doc ate and left. Ed locked up again but instead of going home he went down to the editor's house. The editor was just going to bed, but he let him in and they talked a long time.

Civic improvement

THUS was born the first newspaper campaign at the Crossroads and it finally got the swamp drained.

After it was drained they made a sort of park there—Pilcher's Park they called it. There was a ball diamond and a pavilion where they held the Chautauqua. Ed supported both these enterprises, although he wasn't a baseball fan and didn't care much for "speaking." Ed wasn't much on the cultural side. Nobody ever heard of him reading a book, but when the state senator from the district died and left the town a memorial library Ed was among those who helped build the fund to furnish and equip it. He left the store in the hands of his clerks—he had clerks then, two young fellows and a girl—and went out with the committee that solicited contributions.

About his only service to the committee was his moral support. He offered no arguments.

"I can't make speeches," he said, when other members urged him to put in a word now and then. But Elmer Goetz will testify that, when

ALKALINE BATTERIES SUPREME IN INDUSTRY



NEW SUPREME COURT BUILDING at Washington, D. C., officially opened this session. Vermont marble used in its construction was hauled from the quarry by Edison-powered industrial trucks. Only Edison Batteries are built of steel and use alkaline electrolyte.



BATH OF BEAUTY has walls of the lovely Carrara structural glass. Edison Alkaline Batteries are used extensively by the manufacturer to power industrial trucks. Edison Batteries are not subject to unexpected failure... thus help avoid costly production tie-ups.



"WIGGLE-TAIL" TRUCK shows amazing versatility of battery-powered trucks in cutting materials-handling costs. Such costs are lowest when Edison Alkaline Batteries are used because they live 2 to 5 times longer and perform unflinchingly.

"INDUSTRIAL TRAIN" crossing a railroad track between 2 buildings. Edison Batteries propel more industrial trucks than all other makes combined. Also preferred in railroad, marine, mine and other heavy-duty services. Storage Battery Division of Thomas A. Edison, Inc., West Orange, N. J.

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IN YOUR MORNING MAIL is an unexpected piece of business—an over-the-transom order, from an unheard-of source. Every live business gets an occasional one.

Although you cannot depend on transom orders for volume, you welcome them as a sign that your reputation has gone beyond your cultivated field; that good friends are speaking a word for you; that someone has, unknown to you, looked up your record and found it sound.

If your national advertising is adequate, it explains many such cases; for it, more than any other force, carries reputations beyond routine channels, reminds friends of your strong points, prompts quiet investigations of your product and your record.

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NATION'S BUSINESS

WASHINGTON

E. V. THOMPSON • Director of Advertising
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properly moved, Ed could speak forcefully.

Elmer was a kid at the time, maybe nine or ten years old. He'd gone into the store with a penny to buy candy. Ed had just got in some oranges. They were not so common in those days. To Elmer's eyes they were big and yellow and tempting. They were hopelessly out of his financial reach, so he spent his penny and, when he thought nobody was looking, he sneaked an orange. Ed saw him.

Elmer saw him coming and tried to look innocent. But nine-year-olds don't dissemble well and the orange was a damning bulge under his blouse.

Ed only said, "What's the matter, Sonny?" in a kindly voice. There were a lot of people in the store, so Ed motioned Elmer to follow him out to the back room.

"Something back here I want to show you," he said.

Elmer went, expecting to be skinned alive.

A lesson remembered

BUT Ed didn't skin him. He just talked to him in language a kid could understand about stealing and why it didn't pay. Elmer bawled a little and Ed patted him on the back and let him keep the orange.

Ed never mentioned that again to Elmer or anybody else, even when, years later, Elmer went to him to ask for a job.

"What do you want with a job?" Ed asked him. He knew Elmer's father was doing well and that Elmer was going to high school and already had a job on Saturdays.

So Elmer told him his troubles. It seems there was a girl he liked pretty well and he had been trying to make a showing like kids will. As a result he owed the candy store \$1.05, the druggist 82 cents, and so on for a total of nearly \$11. He didn't have it, and he was afraid somebody would tell his father.

"How much money you making?" Ed asked him.

Elmer told him. He made 75 cents on his Saturday job and 35 cents every week delivering milk.

So Ed sat down and explained the budget system. He showed Elmer how he could pay a little each week and keep the good will of his creditors. He explained the advantages of having the debts all in one place and, finally, he gave Elmer \$11 to pay off all his bills with the agreement that Elmer should repay him in small installments.

Elmer never forgot the things Ed told him that day.

"I never got in debt again," he said, "and I've never traded any-

where else for anything I could possibly get of Ed. There are plenty of others just like me, too."

Among them are the preacher and a family, now accepted as part of the town's community life, but once anathema to the whole Crossroads—except Ed and a few of his friends.

People don't talk about that any more. It was a nasty mess—but racial troubles are always nasty.

The Crossroads had been settled and built up by Middlewestern people, of course. They had a natural and selfish pride in it. So there was a good bit of comment when, in 1912, a family moved there and opened up a little cleaning and pressing shop.

The excitement would probably have died down eventually except that old John Gibson had just set his son up in a similar business. Gibson was hot-headed and hide-bound. He forgot that he was a deacon in the church long enough to tell the world that he would be eternally you know what if he was going to let those dirty (shame on you, Deacon) compete with his son.

Whereupon he called upon other members of the congregation and pointed out the religious, moral and racial difficulties which were likely to result if these people stayed.

"They ought to be told to leave," he said, "and if they don't go they ought to be tarred and feathered."

The idea gained some headway before the preacher heard of it. He went to see Ed who was also a deacon. When he learned what was going on, Ed put on his hat. They went out together and started a counter campaign. In a week the town was divided into two hostile camps.

A "pillar" of the church

BOTH factions went to church on Sunday and the preacher talked on "Tolerance." That split the church wide open. The Gibson faction left and never came back. The preacher would have starved to death if Ed hadn't personally seen him through, with groceries, with clothing for his family and by okaying a doctor bill for his sick wife.

As it was, the more ardent spirits in the Gibson faction included Ed and the parson in their threats for tarring and feathering and, according to report, went so far as to assemble one night to carry out these threats.

The plan met an unexpected obstacle in the form of Steve Remson and a whiffletree. Steve was older by then, but sober and working every day juggling freight.

He stood in the middle of the street and pointed his weapon.

"You think you're going out and

SAVE 50%

... and more in writing all multiple copy forms

Get rid of wasteful preinserted (one time) carbons, padded forms and loose carbons and the other time-consuming makeshifts that cost dollars of profits every week. Step up the output of typed multiple copy forms by 50% . . . and more . . . without adding one penny to cost of labor and without extra equipment! Use the Egray Speed-Feed, and, in one minute, convert your present typewriters into practical billing machines using Egray Continuous Forms, without making any change in typewriter construction or operation, or interfering with its usefulness as a correspondence machine.

Make all the time of the operator productive. Save the high cost of handling carbons in and out of forms, which, on a six-part loose form, amounts to as much as \$7 per thousand sets.

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Running a factory with 2,736 on the payroll means keeping an eagle eye on overhead. One overhead headache is eliminated by installing Onliwon* Towels in Onliwon* Cabinets in every washroom in the plant. Hundreds of plants, both large and small, have found that these towels bring double benefit. Safeguard health. Effect definite economies. For Onliwon Towels are made for drying hands and faces. *Right* in texture, size and absorbency. Takes fewer to dry a given number of hands—two or two thousand. Call the A. P. W. representative in your phone book or write today for samples to: A. P. W. Paper Co., Albany, N. Y.

*A service for washrooms that dispenses paper towels from cabinets and assures that the user is the only one to touch the towel.

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The average man thinks in headlines. Is more concerned with personalities than with significant trends. Even the most important developments in fields outside his own business have to be sugar-coated before he'll condescend to read about them. FACT is not designed for the average man—not even the average successful businessman. FACT is edited for men who have to be or seriously want to be more concretely and comprehensively informed than other people.

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If your dealer cannot supply you, order direct.

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Since the fourth President before Lincoln, famous men's letters and books have mentioned the hospitality of
The
WILLARD HOTEL
"The Residence of Presidents"
Washington, D. C.
H. P. SOMERVILLE, Managing Director

tar and feather Ed and the preacher," he announced, "but me and this whiffletree says some of you ain't agoin' to git there."

It was a potent argument. None of them got there.

But such excitement was uncommon at the Crossroads. Mostly the natives found their entertainment in less spectacular dramas, such as the time Ed got the council's consent to pave the street in front of his store so that customers driving up would not sink to the hubs in the mud. That was the town's first paving. Or the time Grandpa Biggs was called to the store telephone, the only one in town, to talk to his son who had called up from the city and swore he'd trounce somebody with his cane for trying to make a monkey of him with that contraption.

Or the time Ed's new automobile delivery truck, a high-wheeled thing built like a buggy, dropped its motor smack into the middle of the street in front of the blacksmith shop and the smith, the town's nearest approach to a mechanic, refused even to go look at the thing.

Meeting outside competition

OR the time when the newly formed Chamber of Commerce met in a hot session to consider the news that Sam Mason had rented his empty building to a chain store outfit. Ed made one of his few speeches then.

"There's no sense getting excited,"

he said. "These fellows are coming in here against me and if I can't do a better job of selling goods to people I've known for 30 years than these strangers can, then I deserve to lose out."

So the chain stores came. They sold cheaply. From his own door across the street, Ed could see his customers going in there to trade. He knew they paid cash. Later they would come to his store and say "charge it."

He remodelled his store, new show cases, new equipment, new paint, new lights. The old stove was the last thing to go. Moving it out was his admission that the old order had changed. He put it in the basement beside the new furnace in honorable retirement. It had been a social center, almost a civic forum. As long as transportation was by wagon, it served a need. Only a stove could warm a farmer chilled by a five-mile drive. But the farmers came trading now in closed automobiles.

The sages watched these changes and were not convinced.

"Ed's slipping," they told each other. "Why, in the city they got—"

For the city was only an hour away on a concrete highway and most of them knew its business section as well as they knew the Crossroads.

This isn't a biography. It isn't even an appraisal. It is at best a hasty side glance at one of those men who helped to build a country now said to be suffering from the selfish greed of "Business."

The Strangulation of Trade

(Continued from page 34)

necessary to the transfer of this vast new power to the Federal Government.

Paradoxically, the President's National Youth Administration, to which he has given \$50,000,000 out of the \$4,800,000,000 presented to him by Congress to spend in his discretion, has become the new spearhead in the drive for ratification of this amendment. On September 4, 1935, its director harangued the Alabama legislature in behalf of ratification, but two days later the amendment was rejected.

New fields of government

THESE sinister adventures of the Federal Government have been undertaken on a stupendous scale by the present Administration, and nearly all of them financed out of the huge fund turned over to the President to

spend without accountability. The twenty-odd alphabetical bureaus created by Congress or by executive order, and staffed with 165,000 new federal job-holders, 10,000 of whom draw salaries of \$5,000 or more a year, are all engaged in activities that are as harmful as they are costly and futile. Most of their objects are foreign to the true functions of our limited government. In addition, this Administration has caused to be chartered in Delaware a number of corporations with vast powers, many of them clearly transcending those in the constitutional grants. They are therefore doing by evasion what they could not do as federal bureaus, and would appear to be wholly illegal bodies.

It should never be forgotten that, with all its press-agent propaganda and noisy solicitude for the welfare of the people, Government and the politicians in office are essentially

practical and political, and that their solicitude extends to none who is not with them in their primary aim to perpetuate themselves in power. This Administration has made one subtle appeal to deep human emotions. It has promised "social security," a promise which no free government can fulfill.

"Social security" may be attained in only one of two ways, both of which are of doubtful certainty in this unstable world. The one way, the American way, to "social security" is through toil, sacrifice and saving, under a government which will protect your rights to the rewards of your toil and sacrifice. The other way to "social security" is to become the slave of the Government. It is this latter way which the present Administration points out to the American people.

Maintain our freedom

IF the liberties of the American people are to be preserved, if they are ever to resume the marvelous advancement in their material well-being, which, until recent times, was the envy of the world, the strangle-hold of federal bureaucratic power upon their free energies must be broken.

This is no easy task when we consider the millions who are entrenched as the beneficiaries of the prevailing sinister system, who will fight to preserve it. Neither was the first winning of our liberties an easy task.

Fortunately, there is no lack of precedents to guide understanding and action.

Martin Van Buren was inaugurated as President in the midst of the panic of 1836. In his message to a special session of Congress he called attention to the vast inflation of money and credit and to the speculation and extravagance of the people that had preceded it. He went on:

Those who look to the action of this Government for specific aid to citizens to relieve embarrassments arising from losses in commerce and credit, lose sight of the ends for which it was created and the powers with which it was clothed. It was established to give security to us all in our lawful and honorable pursuits under the last safeguards of republican institutions. It was not intended to confer special favors on individuals or on any class of them; to create systems of agriculture, manufactures or trade, or to engage in them, either separately or in connection with individual citizens or organized associations.

If its operations were to be directed for the benefit of any one class, equivalent favors must in justice be extended to the rest, and the attempt to bestow such favor with an equal hand, or even to select those who should most deserve them, would never be successful. It is not its legitimate object to make men rich or to repair, by direct grants of money or legislation in favor of par-

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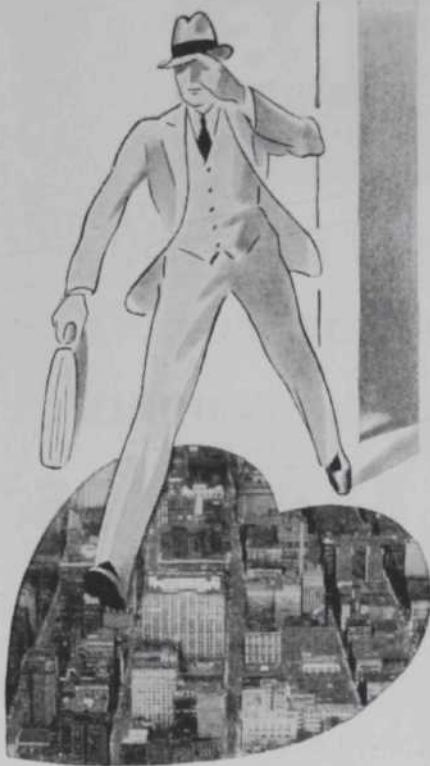
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1 MINUTE FROM...

<i>Department Stores:</i>	<i>Theatre District:</i>
Famous-Barr Co.	Ambassador
Stix-Baer-Fuller	Orpheum
Scruggs-Vandervoort	Loew's State
and Barney	

<i>Shopping District:</i>	<i>Office Buildings:</i>
---------------------------	--------------------------

2 TO 5 MINUTES FROM...

<i>Wholesale District:</i>	<i>Union Station</i>
Butler Bros.	Mart Building
Rice-Stix	Municipal Buildings
Ely-Walker	Mississippi Bridges
Principal shoe, clothing,	Merchants' Exchange
ready-to-wear, millinery,	Fruit and Produce
factories and offices	Distributors

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under same management

SAINT LOUIS, MO.

ticular pursuits, losses not incurred in the public service. This would be substantially to use the property of some for the benefit of others.

But its real duty—that duty the performance of which makes a good government the most precious of human blessings—is to enact and enforce a system of general laws commensurate with, but not exceeding, the objects of its establishment, and to leave every citizen and every interest to reap under its benign protection the rewards of virtue, industry and prudence.

There is a true and honest portrayal of what our peculiar limited system of federal government once was, and was designed forever to remain, even in an "economic emergency."

This is the second of two articles by Mr. Edmunds.

Statement of Ownership

STATEMENT of the Ownership, Management, Circulation, etc., required by the Acts of Congress of August 24, 1912 and March 3, 1933, of Nation's Business, published monthly at Greenwich, Connecticut and Washington, D. C., for October 1, 1935.

City of Washington, County of District of Columbia, ss. Before me, a Notary Public in and for the state and county aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of Nation's Business and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Chamber of Commerce of the United States of America, Washington, D. C.; Editor, Merle Thorpe, Washington, D. C.; Managing Editor, J. W. Bishop, Washington, D. C.; Business Manager, J. B. Wyckoff, Washington, D. C.

2. That the owner is: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors. The officers are as follows: President: Harper Sibley, Manager, Sibley Farms, 100 Hiram Sibley Building, Rochester, New York. Vice Presidents: David F. Edwards, President, Saco-Lowell Shops, 147 Milk Street, Boston, Mass.; T. Guy Woolford, Chairman of Board, Retail Credit Company, 90 Fairlie St., N. W., Atlanta, Ga.; Felix M. McWhirter, President, The Peoples State Bank, Indianapolis, Ind.; George W. Holmes, President, First National Bank, Lincoln, Neb.; Joseph W. Evans, Evans and Company, Cotton Exchange Building, Houston, Tex.; Philip J. Fay, Nichols & Fay, Merchants Exchange Building, San Francisco, Calif. Treasurer: Robert V. Fleming, President, Riggs National Bank, Washington, D. C. Secretary: D. A. Skinner, Chamber of Commerce of the United States of America, 1615 H St., N. W., Washington, D. C.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

MERLE THORPE
(Signature of Editor.)

Sworn to and subscribed before me this 27th day of Sept., 1935.

(Seal) WALTER HARTLEY
Notary Public, District of Columbia
(My commission expires Sept. 15th, 1937.)

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16th Century - Hot Handles of Metal

20TH CENTURY - COOL HANDLES OF BAKELITE MOLDED



IRONING ruffles for the ladies of Queen Elizabeth's time was no such simple matter as ironing the fineries of the women of today. Then, the newest invention for pressing fabrics was a "Box Iron" which was loaded with burning charcoal through a hinged-door opening at one end. What a contrast to today's electric iron which one merely plugs into the nearest outlet and, through a thumb switch, gets exactly the degree of heat desired.

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The modern electric iron was designed by Alfonso Ianelli for the Birtman Electric Company of Chicago.

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